Daily Report

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NOTICE TO READERS: An * indicates material not disseminated in electronic form.

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INTERNATIONAL AFFAIRS

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Jiang Zemin on DPRK, Russian Visit, Hong Kong, France

JIANG 4 Domestic Venues

[illegible]

[illegible]

Tokyo Kyodo, [illegible] Aug 1996 [illegible] Jiang Zemin will visit [illegible] Russia, Hong Kong, and France during [illegible] Russian and French [illegible] at the Foreign Ministry of the People's Republic. Both countries [illegible] Russia's relations with Russia and France [illegible] strategic ties.

He responded to a reporter's question on the current trade of Sino-Russian relations and prospects for cooperation. President Jiang Zemin said [illegible] there can be especially since President Yeltsin [illegible] Russia at the end of the Sino-Russian relations in the political economic, trade, scientific, and technological areas and attained fruitful results. The two countries have maintained high-level contacts and exchanges, achieved important results in talks on border issues, also made considerable progress in talks on troop reductions in border regions. The two sides [illegible] a new trade income [illegible]. The highest level of Sino-Russian trade. China and Russia have become important trade partners. He said: China and Russia are [illegible] years. I think both the Chinese and Russian are pleased with the development of relations between these countries.

Jiang Zemin said [illegible] Russian [illegible] President Yeltsin [illegible] will be holding [illegible] meetings. We have [illegible] together with President Yeltsin and other Russian leaders. We will [illegible] to develop Sino-Russian relations toward [illegible] neighborliness, friendship, and mutually beneficial cooperation and toward the [illegible] in an [illegible] cooperative between the two countries in all fields in a new [illegible].

Asked by a reporter whether the current situation in the Korean Peninsula, [illegible] China and Russia will become a factor for promoting Sino-Russian relations and how to solve the problem, Jiang Zemin said: [illegible] China and Russia have developed the spirit of mutual accommodation in their relations based on good-neighborliness and friendship. They have developed steadily. The two countries have expanded their contacts and rapidly increased permission increases. This process is very natural. He said: Fashion to contact the neighbors and measures in keeping with the development of [illegible] especially the emergence of some dangerous phenomena in contacts between border regions has produced some negative effects. We think [illegible] a bad state of affairs and should be [illegible] and stopped. The situation has recently taken a turn for the better as a result of some good measures taken by the [illegible].

Jiang Zemin said: We cannot give up calling for peace and stability. In my opinion, there are problems that have emerged up during the advancement of relations between the two countries. If China and Russia work together to safeguard a secure, friendly, calm, and realistic attitude, these problems can be solved properly. This, I am not, will not become a factor for increase in Sino-Russian relations.

In the reasons for the closing of Sino-Russian trade volume since the beginning of this year, Jiang Zemin said: We have noticed the closing of Sino-Russian trade volume during the first half of this year, compared to the same period last year. There are many reasons for the closing. Since China and Russia are carrying out [illegible] reforms and their demands for each other's commodities have changed. Changes in new procedures also have had certain effects on trade between China and trade permission in the two sides. Trade volume also in respect of decreases in international trade. Before the closing of Sino-Russian trade volume is not a dangerous phenomenon. Trade between the two countries will develop in a more healthy manner if the two sides work together and encourage more companies of great strength and good qualification in these countries to engage in cooperation. These issues will no doubt fall within the scope of dialogue between the two countries' leaders.

In his interview with French reporters, Jiang Zemin said: Sino-French relations have developed [illegible] the resumption of cultural relations last this year. President Mitterrand's visit [illegible] China in April. President Mitterrand's visit [illegible] will be paying a state visit to France. The two countries have also endeavored and [illegible] trade relations as a basis against peace. Trade relations between China at the time that [illegible] increased by 4.[illegible] percent over the same period of last year.

Jiang Zemin pointed out: Fundamentally, China and France are highly complementary to each other and there are good development prospects. The two sides hold quite a number of identical or similar views on international issues. He said: I believe as long as the two sides work together, mutually respect and cooperate, between the two countries are bound to achieve [illegible] in the spirit of the principles of the Sino-French strategic partnership in establishing [illegible] relations and the [illegible] strategic [illegible] this year.

Asked by a reporter regarding the DPRK nuclear issue and China's role, Jiang Zemin said emphatically: China pursues two goals on this issue. Maintaining peace and stability on the Korean peninsula and realizing the peninsula's denuclearization. He said: China has always advocated that the issue be solved through dialogue by interested parties directly involved in the [illegible]

matter. We welcome the obtain results of the CEPEA talks and we have always played a positive role.

In response to a question whether the Taiwan government hopes to deal with various European governments or wants to deal with the European Union (EU), Jiang Zemin said: China is willing to develop friendly relations and cooperation with both European countries and the EU. I think the two are not mutually exclusive.

Asked by a reporter about the degree of contact a country that maintains diplomatic relations with China is allowed to have with Taiwan, Jiang Zemin said: Another truth: All countries that have diplomatic relations with China recognize the fact that the PRC government is the sole legitimate government that represents all of China and that Taiwan is an inalienable part of China. They have promised not to establish official relations with Taiwan or to limit contacts of an official nature with the latter. He said: As for our attitude to France having passed foreign commercial vehicles and trade contacts with Taiwan:

XINHUA English on Russia Ties

[illegible] Beijing XINHUA [illegible] 1 Sep 94

[text] Beijing, August [illegible] (XINHUA)—Chinese President Jiang Zemin said on Tuesday [illegible] August that his upcoming visit to Russia is designed to foster friendship and good neighborly relations lasting beyond this century.

I will register with President Boris Yeltsin and other Russian leaders ways of heralding friendship and good neighborly relations and mutually beneficial cooperation with Russia to take us into the next century, Jiang said.

President Jiang is scheduled to start here on Friday on an official visit to Russia from September [illegible] at the invitation of his Russian counterpart Boris Yeltsin. The trip will also take him to Ukraine and France.

It is our hope that through joint efforts, Sino-Russian cooperation in all spheres will be raised to a new level, said Jiang, who was speaking to Beijing-based Russian correspondents ahead of his four-day Russian tour.

He characterized as "smooth" the recent developments of bilateral relations in political, economic and trade, scientific and technology, education and culture and other fields.

The high-level contacts and exchanges of visits between the two countries have been maintained since President Yeltsin's [illegible] trip to China.

Over the past three years, the two countries have worked major achievements in their border negotiations and significant progress on the reduction of military personnel in their border areas, Jiang said.

Moreover, bilateral trade has surpassed the second level of $[illegible] billion for two consecutive years and each has become a major trade partner to the other side, Jiang said.

China and Russia are close neighbors. Both peoples are pleased with the development of these relations, he noted.

Two legal instruments and measures have taken shape of expanded contacts and increasing personnel exchanges, Jiang said, adding that irregularities such as Chinese citizens overstayed their Russian visas cropped up notably in the bordering areas.

This situation is not good and it should be corrected or stopped, he said, and added that the situation has somewhat improved as a result of some recent joint operations.

However, there are still problems in the course of development. We should not give up calling for trust of thinking, Jiang said, using a Chinese idiom.

The two sides should adopt a concrete, friendly, open-minded and practical attitude towards these problems which have neither affected the overall bilateral relations nor will they be able to do so, Jiang observed.

The General President cited reforms in the two countries and changes in new system as major factors behind the drop of trade in the first half of the year.

It is quite a normal phenomenon for trade to rise or fall in international trade relations, Jiang said.

While making concerted efforts to tackle problems hindering trade development, the two sides should also give incentives to cooperation between large regional enterprises of the two countries.

He voiced the conviction that Sino-Russian trade will move forward the transport decline to an even healthier development.

Trade will be on the agenda of his talks with the Russian leaders, the Chinese president added.

XINHUA English on France Ties

[illegible] Beijing XINHUA in English 1600 GMT [illegible] 94

[text] Beijing, August [illegible] (XINHUA)—Chinese President Jiang Zemin said on Tuesday [illegible] August) China and France are complementary economically and that Sino-relations hold out good prospects.

Sino-French relations have maintained a momentum of smooth development since the relations between the two countries returned to normal earlier this year, Jiang said, citing French Prime Minister Edouard Balladur's visit to Beijing last April.

Bilateral trade and economic cooperation have been strengthened, with French export to China in the first half of the year increased by [illegible] percent over the same 1993 period, Jiang said.

It is his belief that through joint efforts, our bilateral relations will make new headways on the basis of the

principles contained in the joint communiqué on which the two countries established diplomatic ties as well as in the joint communiqué issued in January this year, Jiang said in an interview with French journalists in Beijing.

The Chinese president is scheduled to pay a state visit to France from September 8-12 at the invitation of his French counterpart François Mitterrand. Ahead of that, he will visit Russia and Ukraine.

China and France also share identical or similar views on a range of international issues, Jiang said.

On the Taiwan issue, Jiang noted that all countries with diplomatic relations with China recognize the People's Republic of China as the sole legal government representing the whole China and Taiwan an integral part of its territory.

They have also undertaken not to maintain with Taiwan official ties or contacts of an official nature, Jiang noted.

"We hold no objection to France having purely unofficial trade and economic contacts with Taiwan," Jiang said.

On the nuclear issue on the Korean peninsula, Jiang reiterated that China stands for the maintenance of peace and stability of the peninsula and its denuclearization.

China always maintains that the nuclear issue be resolved through dialogues between parties directly concerned.

"We welcome the preliminary results from talks between the United States and the Democratic People's Republic of Korea," Jiang said, adding that China has been playing a positive role in the issue.

Asked whether China prefers relations with individual European countries to those with the European Union or vice versa, Jiang said, "we are willing to develop friendly relations and cooperation with both the union and individual European countries.

"I don't see any contradiction here," the president said.

Foreign Ministry Censors Question on PRC-U.S. Relations

BBC/SWB/0094 Paris 1/2 MONDE in French 1 Sep 94 p 4

[Francis Deron report: "President Jiang Zemin Asks Paris To Limit Its Contacts With Taiwan"]

[Excerpt] [passage omitted] The four questions submitted to the "Daughter" designated to succeed Deng Xiaoping were screened by the Foreign Ministry, which took the initiative to organize the 15-minute news conference. A question judged "not very nice" on U.S.-PRC relations was dropped. Will [President] Jiang Zemin who will have to face a difficult succession following Mr Deng's demise, be more talkative in his public statements in France?

Foreign Ministry Holds Weekly Press Conference

U.S. Pressure on UNFPA Issue Opposed

OW0109094194 Beijing XINHUA in English 0827 GMT 1 Sep 94

[Text] Beijing, September 1 [XINHUA]—A Chinese Foreign Ministry spokesman said here this afternoon that China stands firmly opposed to any country attaching conditions to its donations to the United Nations Foundation for Population Activities (UNFPA).

The spokesman Shen Guofang made the remarks at the weekly press conference when asked to comment on the U.S. President's signing of the fiscal 1995 Foreign Operations Appropriations Act on August 23, which forbids the use of any U.S. donation to the UNFPA for China.

This particularly biased act is most unfriendly towards China, Shen said, adding that it violates China's family planning policy and seriously contravenes the purposes and principles of the UN Charter.

He noted that it sets a bad precedent for provision of assistance to the multilateral organizations of the UN.

"We stand firmly opposed to any country attaching conditions to its donations to the UNFPA. We do not wish to see the work of the UNFPA interfered with and deviate from its principles and purposes under the pressure from the United States," the spokesman said.

Gabonese Prime Minister To Visit 6-11 Sep

OW0109085594 Beijing XINHUA in English 0848 GMT 1 Sep 94

[Text] Beijing, September 1 [XINHUA]—At the invitation of Chinese Premier Li Peng, Prime Minister Jacques Ivoi-Mba of the Republic of Gabon will pay an official goodwill visit to China from September 6 to 11.

Chinese Foreign Ministry Spokesman Shen Guofang made the announcement at the weekly press conference here this afternoon.

Tanzanian Prime Minister To Visit 9-13 Sep

OW0109085594 Beijing XINHUA in English 0844 GMT 1 Sep 94

[Text] Beijing, September 1 [XINHUA]—Prime minister and First Vice-President John Malecela of the United Republic of Tanzania will pay an official visit to China from September 9 to 13 at the invitation of Chinese Premier Li Peng.

Chinese Foreign Ministry Spokesman Shen Guofang made the announcement at the weekly press conference here this afternoon.

Hungarian President To Visit 14-17 Sep

[illegible] Beijing XINHUA in English 0820 GMT [illegible] Sep 94

[Text] Beijing, September [illegible] (XINHUA)—At the invitation of Chinese President Jiang Zemin, President Arpad Goncz of the Republic of Hungary will pay a state visit to China from September 14 to 17 this year.

A Chinese Foreign Ministry spokesman made the announcement at a weekly press conference here this afternoon.

China To Celebrate UN's 50th Anniversary

[illegible] Beijing XINHUA in English 0647 GMT [illegible] Aug 94

[Text] Beijing, August [illegible] (XINHUA)—China will hold a series of celebrations marking the 50th anniversary of the United Nations, while actively supporting and participating in relevant activities sponsored by the UN.

Premier Vice-President and Foreign Minister Qian Qichen revealed this today at the first meeting of China's National Convention for Celebrating the Birth of the UN, which falls next year.

The committee, with Qian as the chairman, was established early last year. It is composed of 24 members representing related ministries and departments of the State Council, the mass media and academic institutions.

The celebrations will provide a good chance for the UN to review its past and look ahead to the future, Qian said, adding that the celebrations will help the people of the whole world to have a better understanding and support for the world organization.

Over the past 50 years or so, the UN has undergone an unusual process in which its role has changed greatly. Its activities have kept expanding to cover almost all the spheres of the world community.

Facts show that the UN's historical mission and its unique impact in international affairs can not be replaced by any other international organization or group of countries, though the UN itself has suffered setbacks, Qian said.

Moreover, the aims and principles of the UN Charter are yet to be fully achieved, Qian noted.

Under the new historical conditions featuring multipolarization, the UN is facing a severe test. There is still a long way to go for it to maintain world peace and stability and to promote cooperation and development among countries, Qian said. The people of the whole world are looking forward to its reforming to adapt to the new situation and to effect a just, reasonable and effective settlement of the world's major issues in cooperation and with support of its members.

China, as one of the founders of the UN and a permanent member of the UN Security Council, made important contributions to the birth of the organization. China has adhered unswervingly to the principles of the UN Charter. It has made positive contributions to the maintenance of world peace, to the just and reasonable settlement of international and regional issues, to defending the interests of developing countries and to enhancing cooperation on an equal basis and understanding among countries, Qian said.

Wu Yi, minister of foreign trade and economic cooperation, who is vice-chairman of the national committee, spoke at the meeting on cooperation between China and UN organizations.

Yunnan Governor Discusses Regional Cooperation

[illegible] Beijing XINHUA in English 1040 GMT 11 Aug 94

[Text] Kunming, August 11 (XINHUA)—Southwest China's Yunnan Province is willing to cooperate with Southeast Asian countries in the drive to build prosperity in the border areas, said Governor He Zhuqiang.

He made the remarks at the 6th session of the working group of the Committee for Regional Economic Cooperation of the Economic and Social Commission for Asia and the Pacific (ESCAP), which opened in this capital of Yunnan Monday (29 August).

The governor told the 100-odd representatives from ESCAP member states and five international organizations that Yunnan is keen to develop friendly neighbor relations with the countries in the region on the basis of equality and mutual benefit.

Myanmar (Burma), Laos, Vietnam and other nearby Southeast Asian countries have become Yunnan's major economic and trade partners, he said.

He added that the economic, trade and cultural exchanges between his province and these countries are increasing.

The governor noted that better transportation must play the leading role in the campaign to promote economic cooperation and jointly develop the Lancang-Mekong River valley.

Rafeuddin Ahmed, executive secretary of ESCAP, agreed, saying that transportation is a key factor for the success of regional cooperation.

Ahmed said he was very happy that priority had been given to the construction of the China-Laos-Thailand Highway in the Mekong basin.

The cooperation between Yunnan and its neighbors will no doubt help tap the investment and trade growth potential, Ahmed stressed.

United States & Canada

U.S. Commerce Secretary Brown Tours Shanghai

OW 1108170[illegible] Beijing XINHUA in English 1637 GMT 11 Aug 94

[Text] Shanghai, August 11 (XINHUA)—Visiting U.S. Secretary of Commerce Ron Brown said here today that U.S. businessmen are very interested in setting up good relatives with Shanghai, China's largest economic center.

Brown, who arrived here from Beijing last night, said that the two sides could conduct further co-operation in the fields of transportation, telecommunications, power generation and financial services.

This morning brown attended two signing ceremonies, including one for a 20-year agreement between Westinghouse Electric of the U.S. and Shanghai Electricity Corporation.

This afternoon Brown visited a high-tech development zone and Sino-U.S. joint venture, and cut the ribbon to mark Shanghai Airlines' import of a sixth plane from the Boeing Company of the U.S.

Also this afternoon, Wu Bangguo, secretary of the Shanghai committee of the Communist Party of China, met with Brown and briefed him on the process of Shanghai's reform and opening up, and prospects for the city's development.

Brown and his party left here for Guangzhou this evening.

Sino-U.S. Technology Cooperation Pact Signed

OW 1108170[illegible] Beijing XINHUA in English 1637 GMT 11 Aug 94

[Text] Shanghai, August 11 (XINHUA)—A Sino-American agreement on co-operation in high technology was signed today in this China's biggest economic center, opening broad vistas for ties in technology, commerce and culture between the two countries.

The high-tech projects signed include an electronic learning and information network and co-operation in DNA (deoxyribonucleic acid) technology.

Also included is an agreement on exchanges and co-operation in language learning and teaching.

The three agreements were signed by the Shanghai branch of the International Technology and Economy Institute under the developmental research center of the State Council and the Shanghai Pudong Continuing Education Center and the U.S. Community Learning and Information Network (CLIN), World Learning, and Hiveng Inc.

C.E. McKnight, chairman of the board of CLIN, said at the signing ceremony that the new co-operation in high-tech is of great significance and will greatly benefit the peoples of the two countries.

He also expressed his wish that an electronic information superhighway could be built between the two countries linking the New York and Shanghai Stock Exchanges.

Judy Hendren Mills, president and chief executive officer of World Learning, said she hoped that a new joint educational organization could be set up in Shanghai by the end of this year.

Sino-U.S. co-operation will be boosted to a new height by these agreements, predicted Zhu Rongjin, director of the Shanghai branch of the International Technology and Economy Institute.

Official: U.S. Must Lift Sanctions To Open Market

HK1108101594 Hong Kong MING PAO in Chinese 11 Aug 94 p 26

[By staff reporter Chu Chun (2612 5297): "A Senior Official of the Ministry of Foreign Trade and Economic Cooperation Stresses That To Open Up China's Market Smoothly, the United States Must First Lift Its Economic Sanctions Against China"]

[Text] A Senior Official of the Ministry of Foreign Trade and Economic Cooperation (MOFTEC) says that only when the United States abolishes its annual examination of China's most-favored-nation (MFN) status and lifts in an all-around way its sanctions against China which have been imposed since the 4 June incident in 1989 can it reach the goal put forward by its Commerce Secretary Mr Brown, that is, the share of the Chinese market occupied by the United States, and the aim of making the Chinese market incline toward the United States.

Zhou Shuyan, deputy director of MOFTEC's Institute of International Trade, is an expert in Sino-U.S. trade. During an interview with our reporter he said: Judging from the results of U.S. Commerce Secretary Brown's recent China visit, there is a trend of relaxation in these policies of the U.S. Government. He also revealed that the president of the U.S. Import and Export Bank will also visit China this fall. It is expected that by that time further progress will have been achieved on the issue of the U.S. Government providing soft loans in Sino-U.S. trade.

But he stressed that judging from the current situation alone, there are still quite a few things to do if the U.S. Government wants to enter the Chinese market smoothly. He declared that although the Clinton administration has separated trade issues from human rights this year when considering China's MFN status, the form of examining China's MFN status year by year has been retained, which continues to form a factor of instability in Sino-U.S. trade, especially the issue of U.S.

firms entering the Chinese market. Zhou declared that the separation of trade issues from the issue of human rights has only put a "semicolon" to the obstacles for Sino-U.S. trade, not a "period." He continued: Only when the United States grants China MFN status unconditionally and lifts all sanction measures against China imposed since the 4 June incident in 1989 can a good and stable environment be created for Sino-U.S. trade and can U.S. firms enter China's market smoothly.

Zhou Shuyan held that the MFN issue is one in itself originated from U.S. bills during the cold war period and which is obviously not in keeping with the current trends. Moreover, most of the sanction measures taken by the United States against China because of the 4 June incident exist in name only, except those on restricting exports of high-tech products to China and not providing low-interest loans to China, which continue to affect Sino-U.S. trade. He said if the United States continues to implement these measures, it will harm nobody but itself in Sino-U.S. trade.

Zhou Shuyan pointed out that in Sino-U.S. trade, high-science and high-tech products represent the superiority of large and medium-sized enterprises of the United States. In its import trade, China as a developing country will certainly give first consideration to the products for which loans are available. As far as he knew, the U.S. Import and Export Bank, which is under the U.S. Treasury, had provided only three small loans for exports to China by U.S. enterprises. The biggest of these was the $10-million loan given to Shanghai's Hongqiao Airport in July 1990 for purchasing U.S. airport equipment.

He pointed out: Compared with its rivals such as Europe and Japan, the practice of the United States is in an obviously inferior position. This will certainly obstruct U.S. firms from entering China's market, not to mention the inclining of the Chinese market toward the United States. He continued: Now the Clinton administration is certainly able to increase the export of U.S. high-science and high-tech products to China from 12 categories to 45 categories, because as early as the beginning of 1989 the Reagan administration was already ready to do so, and it was only suspended later due to the 4 June incident.

According to Zhou Shuyan's analysis, there was a contradiction in the Clinton administration's China policy between "idealistic diplomacy" and "realistic diplomacy." Judging from the achievements of Brown's visit, the realistic faction represented by Brown and Treasury Secretary Bentsen had gained the upper hand. But he also understood that as Clinton had built up himself by relying on the human rights issue and had said too much about Sino-U.S. relations during the election campaign, he therefore had to be "given an out." He said: If the joke that Clinton's China policy is decided by the Commerce and Treasury Departments reflects the truth, "it can only be a good thing for both Sino-U.S. trade and Sino-U.S. relations."

Media Commentary on Commerce Secretary Brown's Visit

'Special Article' Views Purposes

HK0111080 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1245 GMT 11 Aug 94

["Special article" by reporter He Chong: "Brown's Visit Is Obviously Aimed At Seeking Commercial Interests"]

[Text] Hong Kong, 11 Aug (ZHONGGUO TONGXUN SHE)—During his visit to China, U.S. Secretary of Commerce Brown won business contracts worth nearly $5 billion, and he will sign contracts worth several hundred million dollars in Shanghai and Guangzhou. During his visit to China, he stressed that the main reason for his trip was to seek commercial interests and he avoided talking about human rights. This is in keeping with China's viewpoint of seeking common ground and putting differences aside. Therefore, both sides found they could get along well and many deals were successfully concluded. Brown will bring a full load of results home.

Brown's current visit to China was arranged in a particularly serious way. Being entrusted by President Clinton, he led a "business expansion delegation for the president" to China and travelled by the president's special plane. His entourage includes officials from various government departments and leaders of 25 leading U.S. enterprises. The lineup was indeed impressive. Before setting off, he promised in the United States that he would strive to win business contracts worth $25 to $30 billion. No wonder he lit up with pleasure at the farewell party in Beijing.

People still remember that President Clinton announced the decision on unconditionally extending China's most favored nation [MFN] status, and delinking trade from the human rights issue last May in violation of his election campaign promise, because he wanted to realize the shift of the focus of the U.S. economic and diplomatic strategy. In November last year, when Clinton and Jiang Zemin met during the Asia-Pacific Economic Cooperation summit in Seattle, both sides agreed to establish a new diplomatic relationship on the basis of seeking common grounds while maintaining differences. After that, the United States continued to mingle the human rights issue with the MFN trading issue. This delayed the establishment of the new diplomatic relationship. Between March and April this year, more than 430 American enterprises exerted pressure on the White House, demanding that the government make inroads into the Chinese market as soon as possible; otherwise, they warned, the United States would lag behind Western Europe and Japan. Then, Clinton finally made up his mind to announce the unconditional extension of China's MFN status. During his current visit, Brown could announce with good grounds that he gave consideration to doing business first and talked about human rights later and would negotiate with China on signing a

long-term "structural agreement" on economic cooperation and trade to build up new relations between the two countries.

In Beijing, Brown signed with Wu Yi, Chinese minister of foreign economic relations and trade, a framework agreement on Sino-U.S. industrial technical cooperation. At the same time, they also presided over the signing of 14 government-to-government and enterprise-to-enterprise agreements in the fields of chemical industry, power industry, civil aviation, machine-building industry, telecommunications, environmental protection, satellite technology, and water conservancy as well as a number of protocols on technological exchanges, personnel training, and legal cooperation. A noticeable cooperation item among others is that the Vanguard [2449 2528 2651 1676] Company of the United States will provide the Chinese Ministry of Posts and Telecommunications with services to link into the global computer network and the project will enable the Chinese networks, mainly in Beijing and Shanghai, to exchange information with some 2 million computers worldwide. Another cooperation item is that IBM of the United States will participate in China's three "Jin" projects, namely, the Jingwan project in electronic communications, the Jinka project (gold cards) in electronic currency, and the Jingtuan project in electronic trading. The computer networks the mainland has planned to develop and the three "Jin" projects are expected to require total investment of $40 billion during the next 10 years. If the United States wins half of the orders, that will be rather a considerable sum.

However, Sino-U.S. economic and trade relations are still being disturbed by certain political factors. Although the United States is trying to grab a bigger share of the Chinese market with its advantages in the fields of computer, telecommunications, aviation, and services, it still refuses to stop the "sanctions" measures against China adopted after 1989. This not causes constraints and restrains the exports of high technology to China. Reportedly, Brown hinted in Beijing to the Chinese leaders that the White House was considering lifting the sanction against China and this would include lifting the ban on exporting high technology to China, allowing the banks to offer export loans and risk insurance to American companies making investment in China, and ensuring assistance to China-oriented trade services. If the United States can take a positive approach and do this more quickly, that will be a wise move and will more effectively remove the obstacles to bilateral trade.

One issue that was not solved during Brown's visit was China's reentry into GATT. However, observers expect that, because Brown has gained a lot of benefit from his visit, if the United States continues to give priority to its commercial interests, China will still be able to return to GATT within the year.

PRC-Affiliated Paper on Successes

HK1109113094 Hong Kong TA KUNG PAO in Chinese 11 Aug 94 p 1

["Political Talk" column by Shih Chun-yu (2457 0689 3768): "Brown's Visit Has Promoted 'Commercial Diplomacy'"]

[Text] A Crucial Moment for Inheriting the Past and Ushering in the Future

U.S. Secretary of Commerce Brown wound up his two-and-a-half-day visit to Beijing yesterday and left for Shanghai in the evening to continue his tour of China. At a news conference before leaving Beijing, he said: "We came to China with high expectations. . . now we have achieved and even exceeded our desired goal." They cherished high expectations, and the achievements are even greater than expected. Their current visit is, indeed, laden with fruitful results.

[illegible] side also cherished high expectations of [illegible] visit, as he has been accorded a very courteous reception. State President Jiang Zemin and State [illegible] Premier Li Peng met with Brown one after the [illegible]

Li Peng told Brown the day before yesterday that at present the multipolar tendency of the world has developed further and that "in international relationships, economic factors are increasingly important." When meeting Brown yesterday, Jiang Zemin pointed out: "Today, Sino-U.S. relations are at a crucial moment for inheriting the past and ushering in the future, so 'how to seize the current favorable opportunity to enable relations between the two countries to enter a new stage is a common task facing China and the United States.'"

Upon his arrival in Beijing, Brown said that he and the U.S. entrepreneurs accompanying him would initiate a new period of "commercial diplomacy" during the current visit to China.

There Is a New Basis for Development and Cooperation

It seems both China and the United States have recognized that relations between the two countries are faced with a new turning point. People may still remember that the first turning point of Sino-U.S. relations, from hostility to an easing of tension, started with "ping-pong diplomacy." Afterward, the cooperation between China and the United States was primarily based on their strategic considerations. After the Cold War ended, naturally the strategic factors in Sino-U.S. relations substantially declined, and the U.S. side purposely gave prominence to ideological differences by linking the argument on the human rights issue with trade, so that bilateral relations sank into a state of instability. In May this year, U.S. President Clinton decided to delink the human rights issue from trade, which has created favorable conditions for the improvement and development of relations between the two countries. Now, in the

capacity of presidential special envoy. Brown has come to conduct his "commercial diplomacy" so as to lay down a new foundation for further cooperation between China and the United States in the future.

Brown said that his visit to China as a cabinet member of the U.S. administration is not only aimed at promoting the development of economic and trade relations between the two countries, but also concerned with the development of friendly cooperative relations between China and the United States in a comprehensive manner. In other words, economic and trade exchanges as a link to bring about cooperation is an essential aspect of Sino-U.S. relations, although it is not the only one.

Jiang Zemin views Sino-U.S. relations from an even higher plane, maintaining that the two big countries are assuming considerable great responsibility for the future of the world and the destiny of mankind. Therefore, there are no grounds for confrontation.

It Has Been Agreed That Dialogue on Human Rights Will Be Conducted Again

The delinkage of the human rights issue from trade does not mean that the two sides will no longer discuss the human rights issue. On the contrary, it has created more favorable conditions and atmosphere for the discussions on the human rights issue between China and the United States. Premier Li Peng said during his meeting with Brown that China is not opposed to a dialogue on the human rights issue, but such a dialogue should be conducted on an equal and friendly basis.

There are differences between China and the United States in terms of social systems, ideology, cultural background, and level of economic development. Hence, there is nothing strange about their differences on human rights and other issues. The important thing is that the differences should be resolved through equal dialogue and consultation. Previously, the United States linked human rights with trade. In essence, it wanted to exert pressure on China with trade as an instrument in an attempt to compel China to accept its demands. Being a big country like the United States, how can China accept such a practice? Now, the two countries have agreed to hold talks on the human rights issue again on an equal footing.

Although Brown's trip to China has not ended, his success is already certain. Obviously some people would not like to see this outcome, because on the first day of his arrival in Beijing, the **BBC** purposely spread a rumor that "China intentionally makes mistakes in executing convicts sentenced to death in order to sell their organs." It is thus obvious that these people are so anxious as to resort to such contemptible and clumsy propaganda tricks.

Beijing To Offer 130 Investment Projects to U.S.

OW1310101594 Beijing XINHUA in English 1627 GMT 11 Aug 94

[Text] Beijing, August 11 (XINHUA)—A delegation from China's capital will publicize 130 investment projects in the U.S. in September, according to local officials.

The 200-member delegation will be headed by Deputy Mayor Liu Yucheng and will include 150 business executives.

Beginning September 19, the delegation members will hold discussions and investment symposiums in San Francisco, New York and Los Angeles.

Involving 9.5 billion U.S. dollars in total investment, the projects will cover such sectors as automobiles, electronics, new building materials, infrastructure construction, the rebuilding of old urban areas, real estate, commerce, tourism and medical care.

Central Eurasia

'Roundup': Sino-Russian Ties Progress 'Steadily'

OW1608222594 Beijing XINHUA Domestic Service in Chinese 0755 GMT 29 Aug 94

[By XINHUA reporter Huang Haozhu (7806 1979 3796): "Roundup: Sino-Russian Ties Progressing Steadily"]

[Text] Moscow, 28 Aug (XINHUA)—PRC President Jiang Zemin will pay his first official visit to the Russian Federation from 2-6 September. This is a return visit for President Yeltsin's visit to China in December 1992. During President Jiang Zemin's visit, the two leaders will explore ways to build future bilateral relations from the strategic height of looking towards the 21st century. Needless to say, this will be another major event in the history of relations between the two countries.

Since President Yeltsin's visit, Sino-Russian ties have expanded rapidly, healthily, and steadily in the political, economic, and cultural fields, and the major manifestations are as following:

First of all, the two nations have observed the various principles laid in the "Joint Statement on the Foundations of Sino-Russian Relations," signed during President Yeltsin's visit to China, and refrained from interfering in each other's internal affairs, striving to eliminate the impact of ideology on developing state-to-state relations. Regardless of changes in Russian internal affairs, China has complete respect for the Russian people's choice, and persists in developing good neighborly relations and mutually beneficial cooperation with Russia on the basis of the Five Principles of Peaceful Coexistence. This stance has been deeply appreciated by the Russian leaders and people. Russia heartily admires China's achievements in reform.

Second, high-level exchanges have been carried out frequently. In 1993, over 30 Russian Government and senior experts' delegations and nearly 20 Chinese Government and senior experts' delegations visited each other's country. Since the beginning of this year, Russian Foreign Minister Kozyrev, State Duma Speaker Rybkin, and Premier Chernomyrdin have visited China, while Chinese vice premier and concurrently Foreign Minister Qian Qichen and Defense Minister Chi Haotian have visited Russia. The two sides have reached a great deal of common understanding on bilateral relations and major international issues. President Jiang Zemin's upcoming visit will push the bilateral relations to a new height.

Third, economic and trade cooperation has developed rapidly and the areas for cooperation have expanded continually. Though Russia has been facing economic difficulty and declining foreign trade for nearly two years, Sino-Russian trade has grown. Trade volume between the two countries totaled $5.86 billion in 1992, up 50 percent from the Sino-Soviet trade volume in 1991 and a record figure in the history of bilateral trade. In 1993, trade volume rose to $7.679 billion, an increase of 30.9 percent over the previous year. Hence, China became Russia's second largest trading partner after Germany. In addition to barter trade, bilateral trade includes joint ventures, cooperation in labor services, technical exchanges, and engineering construction contracts. An important feature of Sino-Russian trade is reflected in the increasing number of direct contacts between Chinese and Russian enterprises.

Fourth, substantive progress has been made in border talks between the two countries. In accordance with the "Sino-Soviet Agreement on the Eastern Section of Sino-Soviet Border" signed in May 1991, experts from the two countries have continued border surveys in the eastern region. During President Jiang Zemin's visit, the two countries will sign an agreement on the western section of Sino-Russian border. In this way, China and Russia will have reached agreement on the delimitation of 99 percent of the boundary and will continue to hold talks on a few remaining spots.

Meanwhile, talks on reducing armed forces and strengthening trust measures in the military field in the border areas have been carried out regularly. The exchanges of visits by defense ministers, chiefs of general staff, and other military leaders have increased mutual trust and understanding between the two countries.

Finally, the two countries have faced squarely a number of new problems cropping up in the development of bilateral relations, and have actively explored solutions to problems. For example, due to changes in the trade system and transportation problems, bilateral trade dropped one-third in the first six months of this year. Nevertheless, both sides have agreed that this is a problem of growth and should not affect bilateral political relations, and that various measures should be taken as soon as possible to find a solution.

Last January, President Yeltsin, in a letter to President Jiang Zemin, proposed the establishment of Sino-Russian "constructive partnership" toward the 21st century. Jiang Zemin responded to this proposal with appreciation. In a recent meeting with the Russian premier, he said: "We should consider and handle Sino-Russian relations from a strategic height toward the 21st century." This fully shows that the two countries share a common aspiration for establishing friendly and constructive relations towards the future.

Southeast Asia & Pacific

Burma Disabled Athletes Delegation Leaves for Beijing

OW 1108164194 Beijing XINHUA in English 1504 GMT 11 Aug 94

[Text] Yangon, August 11 (XINHUA)—Myanmar [Burma] delegation of disabled athletes left here today for China to take part in the South Far Eastern and South Pacific Games for the Disabled in Beijing from September 4 to 12.

Myanmar delegation comprised 22 athletes and 9 administrators, doctors and coaches.

The Myanmar athletes will participate in four events of competition such as swimming, table-tennis, judo and track and field.

It is the first time for Myanmar to send two woman athletes to take part in the Far Eastern and south Pacific region disabled athletes sport meet.

Lao Refugees Return to Homeland From China

OW 1108192094 Beijing XINHUA in English 1646 GMT 11 Aug 94

[Text] Kunming, August 11 (XINHUA)—A total of 2,917 Lao refugees have left southwest China's Yunnan Province and been back to their homeland, according to the Yunnan Provincial Civil Affairs Department.

The repatriated refugees account for 73 percent of the total in the province.

Yunnan, bordering Myanmar [Burma], Vietnam and Laos, has received 64,100 refugees since 1978, including 1,994 from Laos.

Although it is an economically underdeveloped region which has more than 40 poverty-stricken counties to support, Yunnan has spent 280 million yuan (about 30 million U.S. dollars) helping the refugees over the past 15 years.

In 1991 China and Laos signed an agreement on repatriating Lao refugees, after which Yunnan, which was given the task of implementing the repatriation work, sent 12 groups of refugees back to Laos.

The United Nations high commissioner for refugees and the Lao Government helped the repatriation work, which is implemented on a voluntary basis.

Li Peng Greets Malaysia's Mahathir on National Day

HK1108011194 Beijing China Radio International in Malay 1200 GMT 30 Aug 94

[Text of PRC Prime Minister Li Peng's congratulatory message to Malaysian Prime Minister Dr Mahathir Mohamed on the occasion of Malaysia's 37th national day—read by announcer]

[Text] Malaysian Prime Minister Datuk Sri Dr Mahathir Mohamed, Kuala Lumpur

On the occasion of Malaysia's 37th national day, in the name of the PRC Government as well as on my own behalf, I want to express my warmest congratulations to you and the Malaysian Government. In recent years, the Malaysian economy continued to grow steadily and its people continued to enjoy higher living standards. I am confident that under your leadership, the Malaysian people will achieve greater success in the efforts to build the country. I hope that friendly relations and cooperation between the PRC and Malaysia will reach greater heights. May Malaysia and its people continue to enjoy success and prosperity.

[signed] Li Peng, PRC prime minister

[dated] 30 August 1994

Jiang Zemin Greets Malaysian Ruler on National Day

HK1108011594 Beijing China Radio International in Malay 1200 GMT 30 Aug 94

[Text of PRC President Jiang Zemin's congratulatory message to Malaysian Paramount Ruler Tuanku Ja'afar on the occasion of Malaysia's 37th national day—read by announcer]

[Text] His Majesty Tuanku Ja'afar, Kuala Lumpur

On the occasion of Malaysia's 37th national day, in the name of the Chinese people as well as on my own behalf, I want to express my warmest congratulations to the Malaysian Yang Dipertuan Agung [paramount ruler] and all the Malaysian people. May Malaysia and its people continue to enjoy success and prosperity.

[signed] Jiang Zemin, PRC president

[dated] 30 August 1994

Qian Qichen Greets Malaysia's Badawi on National Day

HK1108011994 Beijing China Radio International in Malay 1200 GMT 30 Aug 94

[Text of PRC Foreign Minister Qian Qichen's congratulatory message to Malaysian Foreign Minister Datuk Abdullah Haji Ahmad Badawi on the occasion of Malaysia's 37th national day—read by announcer]

[Text] Malaysian Foreign Minister Datuk Abdullah Haji Ahmad Badawi, Kuala Lumpur

On the occasion of Malaysia's 37th national day, I want to extend my congratulations to you. Relations between the PRC and Malaysia have grown steadily in the past few years. Bilateral cooperation in international and regional issues also continue to flourish. I am willing to work together with you to achieve stable and lasting ties between the two countries.

[signed] Qian Qichen, PRC deputy premier and foreign minister

[dated] 30 August 1994

Malaysian Minister Cuts Ribbon for Motorcycle Plant

OW0310090275794 Nanjing Jiangsu People's Radio Network in Mandarin 2300 GMT 30 Aug 94

[From the "Provincial News Hookup" program]

[Excerpts] Yesterday morning, Jiangsu's Vice Governor Wang Rongbing and Malaysian Deputy Prime Minister Anwar bin Ibrahim attended a ribbon-cutting ceremony for the commissioning of an assembly line for motorcycle engine parts of Nanjing Jincheng Machinery Company Limited.

In their speeches, both Wang Rongbing and Anwar praised the project as a result of cooperation between the businesses of Jiangsu and Malaysia. They expressed the hope for more exchanges.

The assembly line is a project launched jointly by Nanjing Jincheng Group and Malaysian Jimahs Group, with a total investment amount of $134 million. [passage omitted]

Deputy Prime Minister Anwar pushed and switched on the main button of the assembly line. He later visited a computer-controlled production line. He talked with great interest with company's executives during the tour. He said the project symbolizes the Malaysian-Chinese friendship. As Malaysia and China enjoy respective advantages and are strong in different fields, they will produce greater economic benefits if they give play to those advantages.

The Malaysian deputy prime minister and his party also visited the main motorcycle assembly workshop.

Following the visit to the motorcycle plant, Anwar went to Nanjing suburb to see the tomb of Zheng He [Zheng He was a navigator during China's Ming dynasty] and heard briefings on Zheng He's seven trips to the Asian and African countries.

The Malaysian honorable guests left Nanjing yesterday afternoon for Shanghai.

Malaysian Deputy Prime Minister Anwar Visits Shanghai

OW0110094 Shanghai People's Radio Network in Mandarin 2300 GMT 10 Aug 94

[From the "990 Morning News" program]

[Text] At the invitation of Vice Premier Zhu Rongji, Malaysian Deputy Prime Minister Anwar, his wife, and entourage arrived in Shanghai for a visit from Nanjing by plane on the afternoon of 10 August. On behalf of Mayor Huang Ju, Vice Mayor Zhao Qizheng met Anwar and his entourage at the Yangzipiang Hotel in the evening. The host and guest had a cordial and friendly conversation on expanding economic cooperation between Shanghai and Malaysia. The Malaysian guests also motored across the bustling Nanjing Road and the Bund the same evening.

Malaysian Deputy Prime Minister Ends Visit

OW1108192094 Beijing XINHUA in English 1634 GMT 11 Aug 94

[Text] Shanghai, August 11 (XINHUA)—Anwar Ibrahim, deputy prime minister of Malaysia, winding up his week-long China visit, left here this afternoon for Tokyo.

Yesterday evening, Vice-Mayor Zhao Qizheng of Shanghai, on behalf of Shanghai Mayor Huang Ju, met and hosted a banquet in honor of Anwar, who arrived here yesterday afternoon from Nanjing, capital of east China's Jiangsu Province.

This morning Anwar attended a foundation-stone laying ceremony for a Sino-Malaysian joint venture.

Tianjin Secretary Arrives in Thailand 30 Aug

SK1108011094 Tianjin People's Radio in Mandarin 2300 GMT 10 Aug 94

[Text] At the invitation of Xie Guomin, president of Thailand's Chia Tai Group of Companies, the Tianjin municipal delegation headed by Gao Dezhan, secretary of the Tianjin Municipal CPC Committee and supreme adviser to the municipal people's government, arrived in Thailand from the ROK on 30 August to pay their six-day fact-finding visits to Thailand and to carry out the activities of inviting business from Thailand.

In the VIP room of the airport, President Xie Guomin who came to greet the municipal delegation, (Chi Xiertian), public figure of the Chinese society in Thailand and adviser to the Tianjin municipal people's government, and (Luo Tiehan), charge d'affaires de interim of the PRC Embassy in Thailand, respectively presented bouquets to Gao Dezhan and his entourage according to the Thai style of greeting friends. Gao Dezhan and Xie Guomin respectively introduced their entourage and personnel to each side. The VIP room was filled with a happy and relaxed atmosphere and resounded with cheers and joyful talks because a large number of the delegation's members and of the greeting personnel are fellow-townsmen and old friends.

During their visits in Thailand, the municipal delegation will chiefly visit and make fact-finding tours among the enterprises under the Chia Tai Group of Companies, including telecommunication enterprises, department stores, wholesale centers, and petrochemical processing enterprises. It will also brief Thai entrepreneurs on the investment environment of Tianjin.

Beijing Boss Views U.S. Military Aid Cut to Thailand

BK1008150594 Beijing China Radio International in Thai 1130 GMT 29 Aug 94

[Unattributed "report" entitled "The U.S. Move To End the Military Assistance Program for the Thai Armed Forces Has Caused Discontent Among Thai Military Circles"]

[Text] The Thai military spokesman stated recently that Thailand would retaliate by cutting expenses under the joint military operations program between the two countries of the United States claimed what it called Thai military support to the Khmer Rouge and association with the Burmese Government as conditions to terminate the assistance to train Thai military personnel.

There was a report that the U.S. Congress had passed into law the U.S. Foreign Operations Act, which is aimed at putting an end to U.S. expenses to training Thai military personnel. Thailand and the United States have had long and smooth military relations. There have been frequent exchanges of visits between Thai and U.S. military circles. The Cobra Gold joint military exercise is a major annual event in military cooperation between the two countries. Each year the United States spends about U.S. $10 million in scholarships to train Thai military personnel in America. Nearly all Thai high-ranking military officers studied in America. Many of them graduated from U.S. military academies.

Although the cut in U.S. assistance to train Thai military officers does not involve a big sum of money, the fact that the United States used politics and foreign policy as conditions for the aid cut has caused discontent among Thai leaders. The supreme commander, army, air force, and navy chiefs made statements, one after another, rejecting the U.S. accusation that the Thai military supports the Khmer Rouge. They all reiterated the Thai military's position of strictly upholding the Thai Government's independent and self-asserted policy and its determination to chart its own course of relations with Cambodia based on Thailand's role in the framework of the United Nations. The U.S. accusation, to them, is unsubstantiated.

Again, the Thai Government's policy on Burma is based on fundamental interests of the nation and region and is being supported by most countries in the region. It is therefore unacceptable for concerned U.S. authorities to

unceasingly make accusations against Thailand. It is not reasonable for the United States to stop giving military assistance to Thailand because of those conditions, they said. The United States will have to bear all negative consequences if the plan is really enforced.

Commenting on this same issue, the deputy foreign minister said Thailand will not change its policy on Burma and Cambodia, now or in the future, because it is a correct policy and is based on Thailand's independent foreign policy in which nobody should interfere.

The mass media in Thailand noted that U.S. authorities concerned always make use of unfounded accusations as conditions to stop giving assistance or threatening sanctions against Thailand. This kind of approach cannot win people's respect or acceptance.

CPAFFC Celebrates Vietnam's Founding Anniversary

(FBIS-CHI-94-170) Beijing XINHUA in English 0911 GMT 1 Sep 94

[Text] Beijing, September 1 (XINHUA)—The Chinese People's Association for Friendship with Foreign Countries (CPAFFC) and the China-Vietnam Friendship Association held a reception here today to mark the 49th anniversary of the founding of the Socialist Republic of Vietnam.

Among those attending the reception were President of the CPAFFC Qi Huaiyuan, Vietnamese Ambassador to China Dang Nghiem Hoang, and President of the China-Vietnam Friendship Association Fu Hao.

Australia To Offer Loan for Infrastructural Construction

(FBIS-CHI-94-170) Beijing XINHUA in English 1657 GMT 31 Aug 94

[Text] Canberra, August 31 (XINHUA)—Australia has agreed to offer China a financial loan worth millions of Australian dollars for China's infrastructure construction.

An agreement to the effect was signed in Melbourne today after a two-day annual meeting of development and assistance cooperation between the two countries.

The agreement was signed by Long Yongtu, assistant minister of China's foreign trade and economic cooperation, and Philip Flood, director general of the Australian International Development Assistance Bureau.

Under the agreement, Australia will offer China a loan of 150 million Australian dollars (111 million U.S. dollars) for the projects of infrastructure such as telecommunications, water supply in cities and sewage treatment.

Meanwhile, Australia has also agreed to provide another 20 million Australian dollars (14.8 million U.S. dollars) to be used in personnel training and medical area as part of technological cooperation between the two nations.

Near East & South Asia

Shanghai Invites Indian Investment in Pudong New Area

(FBIS-CHI-94-170) Beijing XINHUA in English 0440 GMT 1 Sep 94

[Text] New Delhi, September 1 (XINHUA)—Indian entrepreneurs here were invited to set up partially and even wholly Indian-owned manufacturing units in specified sectors in Shanghai's Pudong new area.

Shanghai Vice-Mayor Xu Kuangdi, who heads a three-member delegation here, addressing members of the Associated Chambers of Commerce and Industry of India on Thursday [1 September], said that the area bordering east China coast known as China's "golden coast and golden water" provided lower customs duty, modest corporate tax, easy repatriation of profits, dividends and royalty, income tax holiday for the first two years and half rate at 7.5 percent for the next three years and non-applicability of existing labor laws, among others.

Shanghai has already approved over 2,000 overseas-funded enterprises, involving a total investment of more than 10 billion U.S. dollars this year, he said.

Referring to the trade between China and India, Xu said China is keen on importing more iron ore and even finished steel at competitive prices from India, and also computer software, handicrafts, leather goods, agro-based products, construction material and pharmaceuticals.

The delegation, which arrived on August 28 at the invitation of the Indian Council for Cultural Relations, will be leaving for Bombay tomorrow.

Iranian First Vice President Returns Home

(FBIS-CHI-94-170) Beijing XINHUA in English 1659 GMT 31 Aug 94

[By Chen Ming]

[Text] Tehran, August 31 (XINHUA)—Iranian First Vice President Hasan Ebrahim Habibi returned from Beijing this afternoon after a three-day goodwill visit to China.

The vice-president said that his visit to China is a success and he is very satisfied with the outcome.

He told reporters at the airport he and Chinese leaders held talks on bilateral relations and international and regional issues of common interest.

The two sides have reached or are going to reach agreements on economic and technological cooperation in projects of cement plants, railways, shipbuilding and petroleum, he said.

On the other hand, he said, the two sides will continue talks on some economic and trade issues that still now remain unsolved between the two countries.

This is his first visit to China at the invitation of Chinese Premier Li Peng.

He said that his government has invited Chinese President Jiang Zemin and chairman of the Standing Committee of the National People's Congress Qiao Shi to visit Iran.

The vice-president was accompanied by 26 high-ranking officials including ministers and vice-ministers of oil, commerce, energy, mines and metals, industries and agriculture as well the Central Bank of Iran.

Peres 'Expects' Country To Be 'Example' for Middle East

OW 1108163594 Beijing XINHUA in English 1611 GMT 11 Aug 94

[Text] Beijing, August 11 (XINHUA)—Israeli Foreign Minister Shimon Peres has said he expects China to set an example for peoples in the Middle East in ways of consolidating national development and formulating foreign policies.

"China has already shown that it can conquer poverty, suffering and the neglect of generations. We hope it will serve as an example to the peoples of the Middle East, Israelis and Arabs alike, on our joint path toward the future," Peres said in the preface to the Chinese edition of his book "The New Middle East," which has just come off the press.

"China and Israel are located at two ends of the Asian continent, yet despite the geographic distance there exists between us a human proximity," he said.

"The great Chinese people granted the world spiritual and material cultural assets, without which it is impossible to depict the process of history," he said. "We in western Asia look to the east with hope and esteem.

"China has shown the entire world that the strategy for the solution of social distress is through rational planning, focusing efforts on that task which shows a reasonable chance of success.

"China, too, believes in its unique ways. It did not succumb in the past to any external pressure, and has consistently asserted its right to shape its own future," Peres said.

"The New Middle East" was originally published in English in late autumn last year.

The author started the book by reviewing the conclusion of the peace agreement between Israel and the Palestine Liberation Organization in Washington in September 1993. After recalling the complicated history of conflicts in the region over several hundred years, Peres expounded his views on how to build a new Middle East in future.

In the preface, Peres quoted sayings by an ancient Chinese strategist Sun Zi that advise world leaders to be far-sighted, renounce rivalry and make peace so as to better meet "the challenges of tomorrow.

"As we approach the 21st century, war is longer serves any usefulness. The main issue before us is the conquering of poverty and needs and the suffering which results from them," he said.

"We must therefore combat the encroaching desert, develop water resources, initiate new projects—and in this way we will reduce the danger of futile war and arrest the rise of fanaticism and terror," the Israeli foreign minister added.

West Europe

Jiang Zemin Meets Visiting Former French Premier

Barre Called 'Old Friend'

OW 1008141794 Beijing XINHUA in English 1412 GMT 10 Aug 94

[Text] Beijing, August 10 (XINHUA)—China highly evaluates the restoration and development of Sino-French relations and wants to make the trend continue through joint efforts.

President Jiang Zemin made this remark at a meeting with visiting former French Prime Minister Raymond Barre here today.

Extending a warm welcome to Barre on his third visit to China, Jiang called him an "old friend of China."

The French Prime Minister Edouard Balladur's visit to China in April this year was a success, Jiang said, adding that he believed that his own upcoming state visit to France would promote the development of political and economic relations between the two countries.

Both China and France are permanent members of the UN Security Council. They share and have similar views on many international issues. On this ground, Jiang noted, the two countries should continue their joint efforts to play a positive role in the cause of world peace and development.

Barre said he was pleased to have the meeting with President Jiang just before the latter's visit to France. He said that he hoped that Jiang's trip would promote the bilateral relations in a detailed and specific way.

Before the meeting, Liu Shuqing, president of the Chinese People's Institute of Foreign Affairs, also met with Barre.

Meets With Qian Qichen

[OW 1108/0828 Beijing XINHUA in English 0828 GMT 31 Aug 94]

[Text] Beijing, August 31 (XINHUA)—Chinese Vice Premier and Foreign Minister Qian Qichen met here this afternoon with visiting former French Prime Minister Raymond Barre.

Qian said that France was the first Western country to establish diplomatic relations with China, and since the establishment of such relations 30 years ago, the development of bilateral relations has been satisfactory on the whole, despite some setbacks.

He pointed out that no matter what happens in the world situation, the maintenance of Sino-French friendly relations is important to the world's peace, stability and development.

The two sides also exchanged opinions on the security situation and economic development in Asia, as well as the integration of Europe.

Barre said that the bright bilateral relations can be further developed and strengthened, and France is willing to take an active part in China's economic construction.

The president of the Chinese People's Institute of Foreign Affairs Liu Shuqing was present at the meeting.

Barre and his party started their visit here August 19. They are also scheduled to visit Shanghai.

MOFTEC Minister To Attend Sino-French Economic Meeting

[OW 1108/1449 Beijing ZHONGGUO XINWEN SHE in English 0940 GMT 31 Aug 94]

[Text] Paris, August 30 (XINHUA)—The tenth session of the China-France Economic and Trade Committee (CFETC) will be held here from September 5 to 7 this year. The Chinese Minister of Foreign Trade and Economic Cooperation Madam Wu Yi will lead a delegation to Paris for the meeting and she will also preside over the session. This news was revealed by the Chinese Embassy to France.

According to the Embassy's Commercial Counselor Mr. Liu Xiaoming, at the meeting both the Chinese and French sides will review the economic and trade relations between the two countries, exchange prospects as well as exchange views on issues concerned.

Mr. Liu said that discussions at the meeting would also include the ways the statistics are worked out. At present, the two sides each had its own methods for import and export statistics. The French side had, when counting up its imports from China, included the Mainland's re-exported trade via Hong Kong into its trade with China. From it, the French side derived its adverse balance of trade with China. Hence, the French side raised the issue of imposing restrictions on China's exports and adopting an anti-dumping boycott on commodities from China. Regarding this problem, the two sides would sit down for discussion to seek their consensus and find out a proper solution.

The committee's session was held each year before 1992 and it was its regular annual meeting for the two countries' ministry-level officials to discuss the development of the economy and trade between the two nations. The committee failed to have its sessions in 1992 and 1993 for certain reasons. The resumption of its session this year (the tenth session) marks the resumption and development of the Sino-French ties.

It is learned that some senior French officials from ministries of foreign affairs and commerce would attend the meeting. Entrepreneurs from both countries would meet at the session to discuss their prospects for cooperation, and a series of important cooperative items were expected to be signed, including a refinery with investment of US$ [illegible] billion in Shanghai, the biggest cooperative item between the two countries at the moment.

Finland Provides Loans To Harness Huanghe

[OW 1108/1634 Beijing XINHUA in English 1615 GMT 31 Aug 94]

[Text] Helsinki, August 31 (XINHUA)—The Finnish government decided today to provide China with 36.5 million Finnish marks (about [illegible] million U.S. dollars) in loans to harness the Yellow River (Huanghe) in northern China.

Finland's Valmet-Rauma Corp. will use the loans to buy for China equipment needed in building a system to prevent flooding by the Yellow River.

Two other Finnish companies, Nokia and Sisu, will also take part in the project, which is aimed at reducing flood damage to areas along the river.

China and Finland signed a technical and commercial agreement on preventing floods and reducing natural disasters when Finnish Prime Minister Esko Aho visited China in April.

NPC Vice Chairman Feters Spanish Delegation

[OW 1008/1404 Beijing XINHUA in English 1130 GMT 30 Aug 94]

[Text] Beijing, August 30 (XINHUA)—Li Peiyao, vice-chairman of China's National People's Congress (NPC) Standing Committee, met with and feted a delegation from the Popular Party of Spain here this evening.

The Spanish visitors arrived here Sunday (28 August). Li Shuzheng, head of the International Liaison Department of the Central Committee of the Communist Party of China, will meet with them tomorrow.

Latin America & Caribbean

Jamaican Governor General Meets Liu Huaqiu

(NR 2/NR/2/5994 Beijing XINHUA Domestic Service in Chinese 0854 GMT 19 Aug 94)

[Text] Caracas, 18 Aug (XINHUA)—According to a dispatch from Kingston, while meeting with Chinese Vice Foreign Minister Liu Huaqiu on 17 August, Jamaican Acting Governor General (Ketteng) said both Jamaica and China are developing countries and share identical views on many major issues. The two countries should further strengthen and expand friendly cooperation in various spheres, especially economic cooperation.

Ketteng said China is a great country and has made important contributions to the world civilization. He said he particularly admires the tremendous achievements China has made since it started pursuing a reform and open policy. The fact that China is able to maintain a high economic growth rate for many successive years is an amazing achievement. Ketteng reiterated Jamaica will continue to pursue a "one China" policy.

On the same day, Jamaican Acting Prime Minister Mullings also met with Liu Huaqiu. Mullings said the United Nations fourth world women's congress will be held in Beijing in September 1995. This is an important international meeting, which will be of great significance in improving the status of women in Third World countries. The Jamaican government will send a high-ranking delegation to the congress and will see the Chinese Government is working for the success of the congress.

Liu Huaqiu said Jamaica is one of the earliest countries in the Caribbean region that established diplomatic relations with China. The Chinese Government deeply cherishes the traditional friendship between China and Jamaica and attaches importance to further developing friendly and cooperative relations with Jamaica. Both sides will coordinate closely and support one another in international affairs.

Liu Huaqiu arrived in Kingston on 17 August for a working visit at the invitation of the Jamaican Government. On 18 August, he held consultation with Bee Clue, Jamaican acting minister of foreign affairs and foreign trade, on bilateral relations and international and regional issues of common concern. Both sides reached consensus on a wide range of issues.

Qian Qichen Meets Uruguayan Official

(NR 2/NR/2/5994 Beijing XINHUA in English 1633 GMT 31 Aug 94)

[Text] Beijing, August 31 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen met here this afternoon with Jose Mujica Gattino, visiting vice-foreign minister of the Oriental Republic of Uruguay.

Qian said that since the two countries set up diplomatic relations over six years ago bilateral friendly relations of co-operation have been on a sustained rise.

He noted that Uruguay was one of the first countries in Latin America to conduct trade with China, and bilateral trade has witnessed a rapid development.

He said that China is now the largest buyer of Uruguayan wool, and that he hoped for further expansion and development in bilateral co-operation and exchanges in the fields of trade, and science and technology.

Expressing his thanks for Uruguayan support for China in international affairs and appreciation for the Uruguayan government's sticking to its "one China" stand, Qian said that Latin America, a continent full of hope, has a great potential for development.

During the past few years the Latin American economy has seen steady growth, which provides good conditions for furthering Sino-Latin American economic and trade co-operation, Qian said.

He said that China attaches importance to the development of friendly and co-operative relations with the southern common market countries and other Latin American countries including Uruguay.

Gattino said that Uruguay pays great attention to the development of relations with China in various fields such as trade, science and technology, and culture.

He said that China resumed its legal seat in the United Nations in the early 1970s, which marked momentous progress in the UN affairs.

He noted that Uruguay appreciates highly China's increasingly important role in international affairs, especially in establishing a new world political and economic order.

Gattino said that Uruguay firmly supports the resumption of China's contracting party status in the general agreement on tariffs and trade, and that he believed that China can make active contributions to the future world trade organization.

This morning, Gattino presented 17 tons of wool to the China National Textile Council as a gift on behalf of the Uruguayan Government for China's scientific studies.

During working talks here August 29 Chinese Vice-Foreign Minister Liu Huaqiu and Gattino exchanged opinions on furthering bilateral relations, and on international and regional issues of common concern, and they reached a wide-ranging consensus.

Gattino and his party arrived here August 29 at the invitation of the Chinese foreign ministry for political consultation between the two foreign ministries. They are also scheduled to visit Hangzhou.

Political & Social

Chen Jinhua Reports on Socioeconomic Plan

OW0109092494 Beijing XINHUA in Domestic Service in Chinese 1122 GMT 29 Aug 94

[Text] Beijing, 29 Aug (XINHUA)—On behalf of the State Council, Chen Jinhua, minister in charge of the State Planning Commission, today delivered a report to the ninth meeting of the Eighth National People's Congress (NPC) Standing Committee on implementation of the national economic and social development plan since the beginning of this year and on the tasks over the next few months.

He said: Since the beginning of this year, all localities and departments have actively implemented the various decisions adopted by the Second Session of the Eighth NPC in accordance with the overall task set by the CPC Central Committee for the entire party and nation of "seizing the opportunity, deepening reform, opening up wider, promoting development and maintaining stability." Thanks to efforts over the past six months or so, various major reforms have been unveiled smoothly, the national economy has maintained the favorable momentum toward rapid development, and stability has prevailed in society.

Chen Jinhua's report was divided into three parts. On new progress in reform, opening up and economic construction, he said: Since the beginning of this year, we have made remarkable progress in expediting reforms aimed at establishing a socialist market economic system. To establish the basic framework of the a socialist market economic system, we have successively unveiled various major reforms on schedule, while following the principle of combining package reform with breakthroughs in key areas. These reforms pertain to the financial, taxation, banking, foreign exchange, foreign trade, investment, price and commodity circulation systems, as well as pilot programs for establishing a modern enterprise system. We have also made headway in reforming the social security and housing systems. Economic growth rates have remained fairly high after falling steadily. Agricultural production and the rural economy have continued to develop. We have initially brought excessive growth in fixed asset investment under control and scored new achievements in key state construction projects. Financial revenues have increased quite rapidly, and the banking sector has remained stable. From January to July, domestic financial revenues (excluding revenues from debt repayments) totaled 756.8 billion yuan, a 22.1-percent increase over the same period of last year. Financial expenditures (excluding debt repayments) amounted to 740.7 billion yuan, a 25.5-percent increase. We have begun to control escalating inflation and have constantly expanded foreign economic and technological exchanges. Science and technology, education and other social services have developed in an all-around way.

On the major contradictions and problems that need to be studied and solved in the current stage of economic development, Chen Jinhua said: Our country's economic situation is favorable as a whole. Some difficulties and problems remain during the course of progress, however. We need to study and solve them seriously.

(1) Inflationary pressure is rather intense. The current price level is still too high. During the first six months, the general retail price level nationwide rose by 19.8 percent over the same period of last year, increasing by 21.4 percent in July. This has greatly hindered the realization of the goal of controlling prices throughout the year. In July, the retail prices of food commodities in 35 large and medium cities climbed by 34.1 percent over the same period of last year. This was one of the key factors leading to the excessive increase in the general price level.

(2) Sluggish agricultural production remains the weakest link in the national economy. Failure by some localities to really give priority to agriculture in terms of work arrangements, leadership, and monetary investment, and to fully implement the policy measures of the party Central Committee and State Council on strengthening agriculture, particularly deserves our attention.

(3) Quite a number of state-owned enterprises have failed to adapt to external environmental changes, and face considerable difficulties in production and management.

(4) We still face the indomitable task of controlling the difference in revenues and expenditures. The rate of revenue increase is still not ideal, although revenues grew relatively faster in the first seven months of this year. In particular, increases in central revenues are far lower than in local revenues.

Chen Jinhua said emphatically: The above issues are related to the overall situation of reform, development, and stability, and we must attach great importance to them. We must be clear-minded, oppose exaggeration, fraudulent, and bureaucratic practices, adopt effective measures to earnestly overcome conflicts and problems ahead, and consolidate and promote positive achievements in strengthening macroeconomic regulation and control and in pushing forward all major reforms.

Chen Jinhua also reported on the major tasks for the next few months. He said: In order to fully accomplish this year's national economic and social development plan, we should continue to conscientiously implement the guiding principles determined by the party Central Committee, safeguard the overall interests of the whole party and country, make more effective use of macroeconomic regulation and control, concentrate on controlling inflation, vigorously strengthen agriculture, exercise care in providing credits, strictly control the number of new projects, and maintain generally balanced supply and demand.

He said: We should try every possible way to win a good agricultural harvest. All localities and departments should earnestly implement all the policy measures determined by the party Central Committee and State Council to support and develop agriculture. They should launch fewer construction projects and increase their financial, material, and labor inputs in agriculture and strive for steady increases in outputs of major farm products such as grain, cotton, edible oil, sugar, meat, and vegetables. At the same time, efforts should be made to actively develop village and town enterprises and secondary and tertiary industries in rural areas, promote overall rural economic development, and further increase peasants' income.

Chen Jinhua said: Inflation is still the most prominent problem in our economic life. In the next few months, we must continue to regard control of price increases as our chief task in macroeconomic regulation and control. We should continue to strictly control the investment scale. The central and local authorities will not adopt any new measures to raise prices this year. We should continue to implement the method of monitoring and inspecting the prices of basic daily necessities, and strictly enforce the system of reporting price increases for major commodities. We should earnestly investigate and resolutely crack down on the practices of increasing prices through monopolies, seeking exorbitant profits, and cheating on prices. We should vigorously improve the production of major farm products, and increase and improve the supply of staple and nonstaple foodstuffs. We should earnestly focus on the "Vegetable Basket" project, paying particular attention to vegetable and live pig production in the autumn to ensure market supplies and stabilize the prices of nonstaple foodstuffs.

He said: In the next few months, we should further improve all major reform measures, and focus on restructuring the industrial sys. We should work hard to increase incomes, strictly practice thrift, and oppose waste. We should continue to strictly control the credit volume, and further promote scientific, technical, educational, and other social undertakings.

NPC Standing Committee Issues Notices on New Deputies

CHI 110821 1004 Beijing XINHUA in Chinese 0514 GMT 11 Aug 94

[Text] Beijing, 11 Aug (XINHUA)—Public Notice of the National People's Congress (NPC) Standing Committee

Since the Sixth Meeting of the Eighth NPC Standing Committee, six deputies died: Beijing's Zhao Shuxian, Hunan's Zhao Jinghua (female), Manchuria's Guangdong's Yi Minhou, Guizhou's Wang Bingqin, Yunnan's Dao Dankong (Dongpo), and Wang Yongtong of the People's Liberation Army. One was recalled: Liaoning's Chang Yi.

Recently local people's congresses and people's congress standing committees elected three deputies for the Eighth NPC: Yunnan's Ma Yaoxuan (Yao ethnic nationality), Hubei's Tie Hongxiang (female, Hubei), and Guizhou's Liu Fangren. The NPC Standing Committee approved a report by the credentials committee on examining the deputies' credentials, and affirmed the credentials of the Eighth NPC deputies Ma Yaoxuan (Hubei), Tie Hongxiang (Lahu), and Liu Fangren. The public notice is hereby announced.

Currently there are 2,976 deputies to the Eighth NPC.

[Signed] The NPC Standing Committee

[Dated] 11 August 1994

Li Peng Signs Decree Promulgating Iodized Salt Regulations

CHI 110821 1504 Beijing XINHUA in Chinese 0847 GMT 29 Aug 94

[Text] Beijing, 29 Aug (XINHUA)—No. 163 Decree of the State Council of the People's Republic of China

The "Regulations Governing Iodized Salt for Eliminating Iodine Deficiency" is hereby promulgated and will go into effect as of 1 October 1994.

[Signed] Li Peng

[Dated] 25 August 1994

Qiao Shi Presides Over Closing NPC Session

CHI 110907 0604 Beijing XINHUA in Chinese 0556 GMT 11 Aug 94

[Text] Beijing, 11 Aug (XINHUA)—After voting on the Arbitration Law and the Auditing Law, the eight-day Ninth Session of the Eighth National People's Congress (NPC) Standing Committee closed at the Great Hall of the People this morning.

Chairman Qiao Shi presided over the closing session.

President Jiang Zemin signed Nos. 11 and 12 Presidential Decrees of the People's Republic of China today to promulgate the Arbitration Law and the Auditing Law.

The Arbitration Law contains 80 articles in eight chapters: general principles, the arbitration commission and arbitration association, arbitration agreement, arbitration procedure, application for annulling rulings, execution, special rules on arbitration involving foreign interests, and supplementary provisions. This law will go into force on 1 September 1995.

The Auditing Law contains 51 articles in seven chapters: general principles, auditing organs and personnel, responsibilities of auditing organs, jurisdiction of auditing organs, auditing procedure, legal responsibility, and supplementary provisions. The law will go into force on 1 January 1995.

Today's session also adopted a decision on ratifying the Sino-Belgian treaty on civil judicial cooperation and Sino-Mongolian friendship and cooperation treaty.

Also adopted at today's session was a decision of the NPC Standing Committee on a certain part of NPC deputies, including Zhang Jiaxing. The decision states that the Preparatory Committee of the Hong Kong Special Administrative Region (SAR) will take charge of all affairs concerning the preparations and establishment of the Hong Kong SAR, draw up specific methods for forming the first Legislative Council of the Hong Kong SAR, and organize the establishment of the first Legislative Council of the Hong Kong SAR in accordance with the NPC's Decision Concerning the Method for the Formation of the First Government and Legislative Council of the Hong Kong SAR.

The session adopted a report by the NPC Standing Committee's Credentials Committee on the examination of credentials of deputies selected through elections and re-elections.

The session voted on decisions on appointing Liu Zhen as deputy secretary general of the NPC Standing Committee and on other personnel appointments and dismissals.

Tian Jiyun, Wang Hanbin, Ni Zhifu, Jiang Minhua, Sun Jiaming, Li Ruiqing, Qian Jiren, Li Peng, Wang Guangying, Cheng Siyuan, Li Tieying, Hao Jianxiu, Li Peixin, and Secretary General Cao Zhi attended the session.

State Councillor Luo Gan, Bai Jianxin, president of the Supreme People's Court, and Zhang Suqing, procurator general of the Supreme People's Procuratorate, attended the session as observers.

Li Peng Greets Cairo Population Conference

FBIS-CHI-94-169 Beijing XINHUA in English 1044 GMT 31 Aug 94

[Text] Beijing, August 31 (XINHUA)--Chinese Premier Li Peng said various countries should formulate "appropriate and effective" population policies in line with their specific conditions.

This is because national conditions, economic development, cultural background, historical traditions and social systems vary from country to country, Li explained in a written speech to greet the International Population and Development Conference to be held in Cairo on early September.

"This is the sovereignty of various countries and should be respected fully," he said.

"The population question is a major issue now facing the international community," he noted.

The Chinese leader said that the huge absolute increase in China's population still restricts the country's social and economic development and impedes the improvement in people's living standard.

"That also brings enormous pressure to national resources and ecological environment as well," he added.

"Therefore, for a long time to come, while vigorously expanding development, China will continue to give top priority to family planning," he said.

He said the Chinese Government believes that settling the population question means not only assuming full responsibility for the prosperity of the Chinese nation and the happiness of future generations, but also making great contributions to stabilizing the global population.

"That is the reason that the China Government pays close attention to and takes an active part in international population activities," he added.

The premier expressed the hope that the international community will make concerted efforts to stabilize the global population and strive for the creation of a splendid future.

"The population question is, in essence, a question of development," he noted.

Settling such a question in a "positive and appropriate manner" is conducive to economic and social development, which will, in turn, settle the population question in a fundamental way, he said.

For this reason, the population policy and plan should become a major components of a country's strategy for sustainable social and economic development, he added.

Premier Li Peng said that the Chinese Government has included the population question in overall plans for China's economic and social development.

"The Chinese Government always emphasizes that the population growth must be compatible with China's social and economic development, and with the development of resources and environmental protection," he said.

"In line with specific conditions in China, the Chinese Government has set family planning and environmental protection as two basic national policies and has carried out the population policy and family planning program that conforms to the reality in the country," he said.

"The Chinese Government has also formulated a series of major policies and measures to protect the women's legitimate rights and interests and ensure the equality between man and women, in a drive to eliminate poverty, protect ecological environment and achieve sustainable growth.

"China now enjoys a sustained economic growth and social stability, while the Chinese people's living standards are improving steadily," he said.

As a result, he added, China's birth rate and population natural growth rate have dropped considerably.

This world-acknowledged achievement indicates that the Chinese Government's policy to attach equal importance to the population question and social, economic questions is "correct, effective and successful," the Chinese premier said.

Former CPC Head Zhao Ziyang Carries Out Inspection Tour

OW 1109121194 Tokyo YOMIURI SHIMBUN in Japanese 10 Aug 94 Morning Edition p 4

[By correspondent Toshiaki Arai]

[Text] Beijing, 29 August—According to informed sources here, former CPC General Secretary Zhao Ziyang, 74, recently visited various parts of China to "inspect" the present state of reform and open-door efforts. Zhao was ousted from his post following the Tiananmen incident in 1989. Because this inspection tour was reportedly made with the consent of Deng Xiaoping, Zhao's movements have drawn much attention in view of the upcoming post-Deng Xiaoping era.

Zhao has been demoted from the top party post to the rank and file because of the accusation that "his acts during the Tiananmen incident caused the split in the party." Nonetheless, his contributions to economic growth have been appreciated highly in China. It is said that he has long wished to make a domestic tour. He reportedly visited three provinces in the northeast and coastal regions with the approval of the party leadership.

Zhao is said to be submitting a report on his inspection tour to the party leadership. According to the sources, his inspection tour was approved on the conditions that domestic news organizations did not report any of Zhao's activities and that Zhao did not express his own opinions without approval at the places he visited.

XINHUA Carries 'Biographical Notes' on Jiang Zemin

OW 0109065594 Beijing XINHUA in English 0041 GMT 1 Sep 94

[Text] Beijing, September 1 (XINHUA)—Chinese President Jiang Zemin will leave here tomorrow morning on an official visit to Russia and Ukraine and a state visit to France at the invitation of the three countries' presidents.

Jiang's wife Wang Yeping will accompany him on the six-day tour.

The biographical notes of President Jiang and curriculum vitae of his wife are as follows:

Jiang Zemin, born in August 1926, is a native of Yangzhou City, Jiangsu Province. He started to participate in student movement led by the underground party organizations in 1943 and joined the Communist Party of China (CPC) in April 1946.

In 1947 he graduated from the electrical engineering department of Jiaotong University in Shanghai.

After the liberation of Shanghai, Jiang served successively as associate engineer, section chief and power workshop director, factory party secretary and first deputy director of the Shanghai Yimin No. 1 Foodstuffs Factory, first deputy director of the Shanghai Soap Factory, section chief of electrical machinery of the Shanghai No. 2 Designing Sub-Bureau of the First Ministry of Machine-Building Industry.

In 1955, Jiang went to the Soviet Union and worked as a trainee in the Stalin Automobile Plant in Moscow.

After returning to China in 1956, he served as deputy chief of the power division, deputy chief power-engineer and director of the power plant of the Changchun No. 1 Auto Works.

After 1962, he served as deputy director of the Shanghai Electric Equipment Research Institute affiliated to the First Ministry of Machine-Building Industry, director and acting party secretary of the Wuhan Thermo-Technical Machinery Research Institute affiliated to the ministry, and deputy director and director of the Foreign Affairs Bureau of the First Ministry of Machine-Building Industry.

After 1980, he served as vice-chairman and secretary-general of the State Commission on the Administration of Imports and Exports and the State Commission on the Administration of Foreign Investment and member of their leading party groups.

After 1982, he served as first vice-minister of electronics industry and deputy secretary of the ministry's leading party group and later minister and secretary of its leading party group.

After 1985, he served as mayor of Shanghai, deputy secretary and then secretary of the Shanghai Municipal Party Committee.

He was elected member of the CPC Central Committee at its twelfth national congress in September 1982 and member of the Political Bureau at the First Plenary Session of the Thirteenth Central Committee in November 1987.

In June 1989 he was elected member of the Standing Committee of the Political Bureau of the CPC Central Committee and its general secretary at the Fourth Plenary Session of the 13th Central Committee.

In November 1989 he was elected chairman of the Military Commission of the CPC Central Committee at the fifth plenary session of the 13th Central Committee.

In October 1992, he was elected member of the Standing Committee of the Political Bureau, its general secretary and chairman of the Military Commission of the Central Committee at the First Plenary Session of the 14th CPC Central Committee.

He was a deputy to the Seventh National People's Congress. In March 1990 he was elected chairman of the Central Military Commission of the People's Republic of China at the Third Session of the Seventh National People's Congress.

In March 1993, he was elected president of the People's Republic of China and chairman of the Central Military Commission of the People's Republic of China at the First Session of the Eighth National People's Congress.

Jiang's wife Wang Yeping, born in Shanghai in 1926, studied at the Shanghai Foreign Languages Institute.

She began her career in 1949, engaged for years in scientific and technical management in enterprises and research institutes in machinery industry. She retired in 1986.

Beijing Secretary Lauds Deng Thinking

HK0109074194 Beijing RENMIN RIBAO in Chinese 1 Sep 94 p 1

(By Beijing CPC Secretary Chen Xitong: "Quintessence and Magic Weapon")

[Text] Comrade Jiang Zemin has pointed out: "Liberating thought and seeking truth from facts is the quintessence of the theory of building socialism with Chinese characteristics and is a magic weapon for ensuring that our party is eternally vigorous and vital." Deeply understanding and mastering this quintessence and magic weapon has very major significance for us in studying and grasping Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and in promoting the continued advance of reform, opening up, and the cause of socialist modernization.

Liberating thought and seeking truth from facts is both a world view and a methodology. It is both materialism and dialectics and is a main thread which runs through the theory of building socialism with Chinese characteristics. It is a principle of party spirit which we must respect in upholding and developing Marxism.

Liberating thought and seeking truth from facts is the quintessence and a magic weapon first because it is the spirit of Marxism. Liberating thought and seeking truth from facts is both a world view and also a methodology. It is materialism and also dialectics. If people are to correctly understand things and transform the world, they must uphold the idea of the primacy of the material, and the primacy of practice, and ensure that cognition is in accord with reality and the subjective is in accord with the objective. Comrade Deng Xiaoping has pointed out: "Respecting the dialectical materialism and the historical materialism of Marxism is what Comrade Mao Zedong summed up as seeking truth from facts. This is 'the basic viewpoint and basic method of Marxism,' 'the basis of the proletarian world view,' and 'the point of departure and basic element of Mao Zedong Thought.'"

Second, liberating thought and seeking truth from facts is the ideological line on which Deng Xiaoping's theory of building socialism with Chinese characteristics has depended for its emergence and its development. Liberating thought and seeking truth from facts is a central thread which runs through the theory of building socialism with Chinese characteristics. It is also a key for us in understanding and using this theory. Comrade Deng Xiaoping has said that the series of principles and policies which have been formulated since the Third Plenary Session of the 11th CPC Central Committee are "in the end, the revival and upholding of the ideological line of seeking truth from facts put forward by Comrade Mao Zedong and the explanation, on the basis of this ideological line, of how to build socialism." Volume 3 of *The Selected Works of Deng Xiaoping* is the ideological crystallization of how to uphold and use this correct ideological line to understand and reexamine China's socialist society. It puts forward a series of important questions, such as "what is socialism," and "how do we implement socialism." The formation of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics relied on liberating thought and seeking truth from facts. In enriching, completing, and developing this theory, the only things which can be relied on are also liberating thought and seeking truth from facts.

Third, liberating thought and seeking truth from facts is a principle of party spirit which must be respected in upholding and developing Marxism. Comrade Mao Zedong stressed that seeking truth from facts "is a manifestation of party spirit, a Marxist-Leninist work style which unifies theory and practice. This is an attitude which is a basic requirement for communists." "Without an attitude which unifies Marxist-Leninist theory and practice, then there is no party spirit or there is incomplete party spirit." Comrade Deng Xiaoping also pointed out that whether or not one can uphold the liberating of thought and the seeking of truth from facts "is not a small question but a question of how one views Marxism-Leninism-Mao Zedong Thought. "If one opposes the seeking of truth from facts, opposes proceeding from reality, opposes the combination of theory and practice, can that be said to be Marxism-Leninism-Mao Zedong Thought?" It can thus be seen that if we want to uphold and develop Marxism, we must master and use properly the quintessence and magic weapon provided by liberating thought and seeking truth from facts. If we divorce ourselves from this quintessence and magic weapon and engage in ideological mystification, how can Marxist theory develop? If we are divorced from this quintessence and magic weapon and

we engage in bourgeois liberalization, or overall Westernization, how can we not be ignoring and going against the theoretical basis of our ideology? This is equivalent to proclaiming the demise of the Communist Party.

Fourth, liberating thought and seeking truth from facts is a guarantee for the eternal vigor and vitality of our party. The experiences over the 71 years of our party's history show that whenever the ideological line is correct, the party's cause sees thriving development but, as soon as it diverges from or goes against the correct ideological line of liberating thought and seeking truth from facts, the party's cause suffers setbacks or even results in defeat for the party. Thus, Comrade Deng Xiaoping powerfully pointed out: "All the victories scored in engaging in revolution in the past have depended on seeking truth from facts. Now that we are engaged in the four modernizations we must, in the same way, rely on seeking truth from facts. If we divorce ourselves from this ideological line, it can only lead to idealism and metaphysics and can only lead to losses in work and defeat in the revolution."

The founding and development of Marxism was the result of liberating thought and seeking truth from facts. The theory of building socialism with Chinese characteristics is another great ideological liberation in the history of the development of Marxism. It uses new ideas and new viewpoints to carry forward and develop Marxism-Leninism-Mao Zedong Thought.

From its foundation and throughout its development, Marxism has always been tightly linked with liberating thought and seeking truth from facts. It can further be said that this is also the result of the liberating of thought and the seeking of truth from facts.

In the time in which Marx and Engels lived, ideological theory was subject to severe restraints from idealism and metaphysics. At the same time, science and technology and social progress put forward to people the historical task of smashing the fetters of idealism and metaphysics. They dared to rebel against orthodoxy and transformed Hegel's idealistic dialectics, while drawing on the "rational core" of his dialectics. They also criticized the mechanical materialism of Feuerbach, while drawing on the "basic core" of his materialism. Thereby, they established dialectical materialism and historical materialism. The emergence of Marxism was a great ideological liberation and unprecedented in human history. This allowed socialism to be transformed from a fantasy into a science, revealed the inevitable demise of capitalism, and showed the bright prospects for realizing communism. When capitalism developed to the new historical stage of imperialism, Lenin did not tenaciously defend the existing conclusions of Marxism. Rather, he analyzed the special characteristics of the contradictions in the development of capitalism to the stage of imperialism, expounded on the inequality of economic and political development under imperialism, and broke through the ideological fetters which maintained that the proletarian revolution could only be successful through victory being achieved concurrently in several major capitalist states. He thereby came to a new conclusion that the socialist revolution could be successful in the weakest link in the capitalist chain and that success could be achieved in one country. This was a further major ideological liberation in the history of the development of Marxism, allowing the toppling of the Czarist empire and the establishment of the world's first socialist state, resulting in the scientific theory of socialism becoming a reality. In the special semi-feudal and semi-colonial historical environment of old China, Mao Zedong tightly combined the universal truths of Marxism with the specific realities of the Chinese revolution and thereby broke through the fetters imposed by the idea that the proletarian revolution could only rely on armed rebellion by the workers and the taking of key cities. He successfully found a revolutionary road with Chinese characteristics by which the cities were surrounded from the villages and eventually national victory was achieved. Thereby, he established Mao Zedong Thought. This was a further major ideological liberation in the history of the development of Marxism, following that achieved by Lenin. Victory was realized in the new democratic revolution and New China was established.

Comrade Mao Zedong and the generation of leaders of which he was foremost, engaged in arduous and complex explorations of the question of how to build and consolidate socialism. After Comrade Deng Xiaoping succeeded Comrade Mao Zedong, he summed up the historical experiences of victories and setbacks over the 28 years of socialism in China, particularly summing up the harsh lessons of the "Great Cultural Revolution," and in the light of the historical experiences of the international communist movement, he tightly combined the general truths of Marxism with the realities of contemporary China. As early as December 1978, he put forward the guiding principle of "liberating thought, using one's brain, seeking truth from facts, and looking forward united" and firmly upheld practice as the sole criterion of truth. Through the great political courage of opening up a new road of socialist construction and the great theoretical courage of opening up new realms of Marxism, he broke through conventions, explored bravely, and established the theory of building socialism with Chinese characteristics. This was a further major ideological liberation in the history of the development of Marxism. Without this major ideological liberation there would not be Marxism for contemporary China.

The theory of building socialism with Chinese characteristics, which was established by Comrade Deng Xiaoping, uses new ideas and new viewpoints to carry forward and develop Marxism-Leninism-Mao Zedong Thought.

On the question of how to understand socialism, Comrade Deng Xiaoping scientifically answers the major and basic question of what is socialism, profoundly points out that the nature of socialism is to "liberate the productive forces, develop the productive forces, abolish exploitation, eliminate polarization, and finally achieve common

prosperity." In a deep way he expounded upon the necessity and feasibility of implementing a market economy under conditions where the public ownership system formed the main part and essentially eliminated the ideological barriers to seeing both the planned economy and the market economy as falling within the category of a basic social system. He put forward the "three benefit" standards for assessing whether any aspect of our work is right or wrong, good or bad, and removed the ideological puzzle of whether something is "socialist" or "capitalist."

On the question of how to establish socialism, Comrade Deng Xiaoping scientifically analyzed the national situation in our country, came to the scientific conclusion that China is still in the primary stage of socialism, and formulated the party's basic line of "one center and two basic points." He established the strategic target of dividing economic development into three stages to basically realize modernization and the strategic idea of allowing some areas and some people to become rich first before eventually realizing common prosperity. **Thereby, he found a road for building socialism which was in accord with China's national conditions.**

On the question of how to perfect and develop socialism, Comrade Deng Xiaoping pointed out that "reform is the self-perfection of the socialist system." As a way to eliminate obstructions to the development of the social productive forces, reform is a promotional force for the development of socialism. He stressed that "revolution is for liberating the productive forces, reform is also for liberating the productive forces," and that "reform is China's second revolution." Upholding reform is the necessary road for liberating and developing the social productive forces, something which will determine the Chinese Revolution. Ossification and stagnation will lead nowhere. At the same time, following the development of the productive forces, reforms in the superstructure sphere, including the political system, educational system, and science and technology systems, together with the building of spiritual culture and a democratic legal system, must accord with this development. Thereby, he found a correct road for the self-perfection and development of socialism.

To sum up, in the history of the development of Marxism, each major occasion of ideological liberation allowed people's understanding to see a new leap and promoted the continual forward development of Marxism.

Liberating thought and seeking truth from facts form a unity. Only by upholding a unified ideological line of liberating thought and seeking truth from facts, will we be able to eliminate interference from the "Left" and the right and correctly grasp and creatively implement the major principles of the party and continually push forward the cause of building the capital.

"Liberating thought" revolves ensuring that thought and reality are in accord and that the subjective and the objective are in accord, that is, seeking truth from facts."

This scientific judgment by Comrade Xiaoping reveals, in a deep way, the contents of the liberating of thought and its relationship with the seeking of truth from facts.

Why do we need to liberate thought? It is because people's thinking is restricted, bound, fettered, and confined by various things. Such bound and fettered thought cannot correctly reflect continually changing objective things and it will inevitably result in the subjective deviating from the objective, understanding being divorced from reality, and it being absolutely impossible to seek truth from facts. Thus, it is necessary to free such bound thought from its bonds and free such fettered thought from its fetters. What sort of things bind and fetter people's thought? It is idealism and metaphysics. **The real meaning of liberating thought is and can only be that people's thought has been liberated from the fetters of idealism and metaphysics and has returned to dialectical materialism. Apart from this, it has no other meaning. Thus Comrade Jiang Zemin placed stress on pointing out: "Liberating thought and seeking truth from facts form a unity. Only by liberating thought is it possible to seek truth from facts. Only if one seeks truth from facts is it true liberation of thought." Separating the liberation of thought from the seeking of truth from facts or putting them in opposition to one another has no meaning.**

Deeply understanding and using well the quintessence and magic weapon constituted by liberating thought and seeking truth from facts, requires the combination of theory and practice and properly grasping relationships in the following aspects.

A correct ideological line determines a correct political line. Comrade Deng Xiaoping stressed: "The ideological line is not a small issue. It is the basis which determines the political line." "If we do not resolve the problem of ideological line, and do not liberate our thought, it will be impossible to formulate a correct political line." It was under the guidance of the party's ideological line of seeking truth from facts that our party realized a switch in its work focus and gradually formed the basic line of "one center and two basic points." The more correct the ideological line became, the easier it became to deeply understand the correctness of the party's basic line and the easier it became to understand the correctness of upholding the four cardinal principles. Thereby, it became easier to consciously and firmly implement them and there was no need to worry that liberating thought would go against them.

A correct ideological line is a basic guarantee for implementing a correct political line. Comrade Deng Xiaoping has stressed: "The key to whether or not a correct political line can be implemented is whether or not the ideological line is correct." If, then, there is no liberation of thought, even if a correct political line "is formulated, it will be impossible to implement." Since the Third Plenary Session of the 11th CPC Central Committee, the series of major policies and principles formulated by the central authorities have all been the result of upholding

the liberation of thought and seeking truth from facts. If we want to correctly and creatively implement these policies and principles, it will be impossible if we do not liberate our thought and seek truth from facts. This is because: First, if our thought is not liberated and is still influenced and constrained by "Leftist" or rightist ideas, we will not be able to correctly understand or correctly grasp the spiritual essence of the central authorities' major policies and principles, or firmly and consciously implement them. Second, when the central authorities put forward major policies and principles, we must still proceed from the realities of our own localities and units, concretely analyze our own specific situations, concretely eliminate various idealist and metaphysical influences, tightly combine the spirit of the central authorities with the concrete realities of our regions, and put forward new ways of thinking and new measures. Only thus will we be able to creatively develop our work.

We cannot hold that because the central authorities already have a new line of thought, new principles, and new policies, we do not need to put in any effort but simply need to "mechanically copy" or play the role of a transmission office or a receipt and dispatch office. Third, the major policies and principles of the central authorities all come from practice at the grass-roots level and they must develop following the development of practice. Only if we uphold the liberating of thought and the seeking of truth from facts, and are brave in practice and dare to explore, can we provide materials for the further improvement, enrichment, and development of the central policies and principles. Comrade Mao Zedong once succinctly pointed out: "Implementing the upper-level directives blindly, superficially, and completely without objection is not really being true in implementing these directives. Actually, this is the clever way of opposing the directives by the upper levels or obstructing their implementation."

Liberating thought and respecting science form a unity. Respecting science means respecting objective patterns, which means seeking truth from facts. In this sense, respecting science and liberating thought form a unity. When ideological understanding falls behind objective reality, the subjective will not be in accord with the objective. Thus there is a need to liberate thought and this is respecting science. When ideological understanding runs ahead of objective reality (here, we are not referring to scientific predictions), then one falls into idealist imagination. This is also a case of the subjective not being in accord with the objective. In the same way, there is a need for liberating of thought and this is also respecting science. On this question, Comrade Mao Zedong long ago made an incisive judgment. He said, in respect of people whose ideology lags behind reality, that "their ideology is divorced from social reality." As to those whose "ideology runs ahead of the fixed development stages in the objective process," in the same way their ideology "is divorced from the current reality." It can be seen that regardless of whether one's "ideology lags behind reality" or "runs ahead of the objective process," in both cases the subjective is divorced from the objective and both fail to respect science. Thus, neither of these is true liberation of thought.

Liberation of thought involves both opposition to "Leftism" and opposition to rightism. "Leftism" is mainly manifested in the negation of reform and opening up, in the belief that the main danger of peaceful evolution comes from the economic sphere, and even in the use of the idea of "taking class struggle as the key link" to influence and attack the center constituted by economic construction. Rightism is mainly manifested in the negation of the four cardinal principles, in bourgeois liberalization and in the advocacy of complete Westernization, and "wanting to guide China to capitalism." "Leftism" and rightism are twin sisters. Although their manifestations are different, on the philosophical level they are both characterized by separation of the subjective from the objective and the separation of theory from practice. They are both fettered by subjective idealism and metaphysics and both basically violate the ideological line of liberating thought and seeking truth from facts. Rightism can spell the end of socialism; "Leftism" can also spell the end of socialism. Therefore, they can both bring great harm to revolution and construction. Thus, Comrade Deng Xiaoping clearly pointed out: "Liberating thought requires that we oppose 'Leftism' and, on the other hand, that we oppose rightism." "If there is 'Leftism' we must oppose 'Leftism;' if there is rightism we must oppose rightism." "However, the most important thing is to guard against 'Leftism.'" As long as we correctly master and utilize the "quintessence" and the "magic weapon," we will be able to continually eliminate "Leftist" and rightist interference, maintain sober minds, and raise consciousness and firmness in implementing the party's basic line.

Liberating thought is a long-term task. "Liberate thought to the end" and "liberate thought beyond the end." These are unscientific expressions. Here "the end" refers to the end of people's ever-changing and developing cognition of objective patterns. It suggests that people's thought can completely throw off the fetters and influences of idealism and metaphysics and can reflect objective things completely, without deficiency and absolutely correctly. Actually, this is impossible. Because things are constantly developing and changing and, "because people always observe and handle problems and express opinions on the basis of their own experiences, it is sometimes difficult to avoid some one- sidedness." "One-sidedness" is the result of absolutizing thought. It results from examining questions metaphysically. "This determines that it is impossible for people's understanding of things to be completely correct and perfect." Lenin said: "We can never fully understand concrete things." Not only are ordinary people unable to do this but even "supermen" will find it impossible to do. Thus, apart from those persons who are already dead and those yet to be born, people will be unable to avoid making mistakes. We can only put efforts into reducing or avoiding the influence of idealism and metaphysics.

strive to ensure that the subjective is in accord with the objective and strive to not make, or to reduce, our mistakes. Objective things are continually developing and understanding must also be continually deepened. Thus, liberating thought is a long-term task. In liberating thought, there is never any question of "going beyond the end." As Comrade Deng Xiaoping has said: "In future, in all work we must seriously uphold the seeking of truth from facts. That is, we must continue to liberate our thought. Those who believe that they have liberated their thought to the end, or even beyond the end, are clearly in error."

Under the guidance of the party central committee, which has Comrade Jiang Zemin as its core, in recent years Beijing Municipality has successively held four major discussions on liberating thought. Each one of these major discussions has resulted in us seeing a great leap in our understanding of the city's situation. In terms of work, the discussions have provided some new lines of thought and major measures and promoted the development of various undertakings. We have come to deeply feel how important correctly mastering and using the quintessence and magic weapon constituted by liberating thought and seeking truth from facts is in doing well in all aspects of work in the capital. We must continue to seriously study Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, strive to be more materialist and less idealist, be more dialectical and less metaphysical, and engage in more investigation and research and rely less on gossip and hearsay. We must seriously implement the line, principles, and policies formulated by the party central committee, which has Comrade Jiang Zemin as its core, continually push forward the cause of building the capital and, on the basis of resolving the problems of feeding and clothing the people, continue to strive to realize ahead of time the goal of bringing people a comparatively well-off standard of living.

Dissident Wang Dan Released After Police Questioning

HK1109111794 Hong Kong AFP in English 1259 GMT 11 Aug 94

[Text] Beijing, Aug 11 (AFP)—Former Chinese dissident leader Wang Dan returned home Wednesday [31 August] after receiving assurances from police that he would receive a "clear answer" on his case in the next two days. Wang said by telephone that he had returned to his house at 5:30 p.m. (0930 GMT) after being taken by police for questioning 11:00 a.m. (0300 GMT) for the second time in five days.

Before being picked up Wednesday, Wang said he had been placed under virtual house arrest after attempting to file a complaint at a Beijing court over police harassment.

Beijing Professor Identifies 44 More Tiananmen Victims

HK1109101794 Hong Kong EASTERN EXPRESS in English / Sep 94 p 3

[By Bruce Gilley]

[Text] A Beijing teacher whose son was killed in Tiananmen Square in 1989 has confirmed the names of 44 previously unknown victims of the massacre, which are published in the latest edition of the China-watching magazine The Nineties. It brings to 96 the number of names on the so-called "death list" of a People's University professor, Ding Zilin. She maintains it is only "a very small part" of the total number of civilians killed in the crackdown.

The first batch of 52 names on the list, including personal particulars, how the victims died and the status of the families they left behind, was published in the magazine's June issue. The earlier list was also published in English by the London-based human rights group Amnesty International. The victims in the latest batch range in age from Zhou Xiaoming, 16, who was killed under unknown circumstances, to Liu Junhe, 56, a watermelon-seller shot by martial law forces under the Qianmen Gate watchtower on the morning of June 4.

The appearance of the latest batch could cause Beijing police to step up surveillance of Ding, who lives under virtual house arrest with her husband on the university campus. The updated list was brought out of China earlier this month, according to the managing editor of The Nineties, Fong So. "The names were collected before Ding was put under arrest at her home prior to the June 4 anniversary," Fong said. "But confirmation of the details has only been done since then." The magazine expects to continue working with Ding to document the victims of the massacre.

China's President, Jiang Zemin, recently called the 1989 military crackdown a "necessary and decisive step" to preserve national stability.

"We all know that the Chinese government has in recent years been carrying out a disinformation campaign on this subject," Fong said. "The government should clarify the status of all the people on the name list and also deal with the personal situation of the families."

Ding's systematic search for the names of victims of the massacre has been partly spurred by a concern for the livelihood of the families they left behind. A former graduate student of People's University, Jiang Qisheng, was detained for a month in June after visiting Ding to assist in the distribution of monies for the families. Ding and her husband, Jiang Peikun, lost their son, Jiang Jielian, 17, after he was hit by a stray bullet on June 4. The couple held a 48-hour hunger strike during the fifth anniversary of the crackdown to commemorate those who died and to protest at the continued police presence around their house.

A book containing Deng's death list, a list of 49 wounded victims and reports about her search for the victims will be published later this year.

The work of collecting and publishing the names of those killed in the Tiananmen Square massacre should be done by the Chinese government." Deng has written. "What's more, this is a promise made to overseas governments, which has never been fulfilled."

Beijing Releases List of 56 Tibetan Prisoners

HK0109083594 Hong Kong SOUTH CHINA MORNING POST in English 1 Sep 94 p 11

(By Robert Barnett)

[Text] The Chinese Government has named 56 Tibetans who were imprisoned in the first eight months of last year, implicitly acknowledging that they were detained for political offences. The Chinese list came in a reply to a United States Government request, first presented in October last year, for information about 108 named Tibetan prisoners and is only the second time the Chinese have given a list of named Tibetan prisoners.

The list fell short of Western estimates, which said that the number of political arrests in Tibet last year was over 50. However, it was more than the Chinese had previously conceded. In March and April Chinese officials publicly ridiculed the US list, saying that only 20 of the 108 names could be identified.

The Chinese response, which was finally handed to the American Government in June, did not become known until early this week. The Chinese statement gave the minimum possible information apart from names, often making it impossible to identify to whom they were referring and whether or not a prisoner was still in custody.

The list regroups the names presented by US Secretary of State Warren Christopher into four categories. Two of the 56 were described as "currently serving prison sentences", 43 were "not yet criminally sentenced", 11 were "already released" and 54 "could not be found". One prisoner was not accounted for in any category on the Chinese list. The second category, those "not yet criminally sentenced", is ambiguously worded so that it could include both those awaiting trial and those who have been sentenced to a labour camp by an administrative decision rather than by a criminal court.

The names of each of the 56 were given in Chinese characters and in English, but Tibetan was not used. There was no indication as to the age, profession, birthplace or current whereabouts of the prisoners, or any clue about when or why they were detained, their sentence, or current medical condition. The only new information provided by the list was the fact that one prisoner, Thapke, has been tried and convicted by a court. Thapke, believed to be a [illegible]-year-old monk from the monastery of Dungkhe Choekor in Chushushi 45 kilometres south of Lhasa, was arrested after a series of pro-independence protests in May last year which led to a military clampdown in the region. The length of sentence was not disclosed.

The 56 confirmed arrests included 10 women, seven of them nuns. Fifty per cent of the confirmed prisoners were monks or nuns and 28 of the confirmed prisoners were from outside Lhasa. The figure of 56 acknowledged arrests is high, given that most of the 51 names rejected by the Chinese are likely to be the result of semantic confusion.

Among those the Chinese said could not be identified were several who are known to have been arrested. They include a woman prisoner, Damchoe Pemo, whose arrest (and subsequent release) was confirmed by Jiang Enzhu, China's Vice-Foreign Minister, in response to a letter of complaint from the Belgian Ambassador to Beijing on October 29, 1993.

Civil Service System Well Under Way

OW1108162694 Beijing XINHUA in English 1631 GMT 11 Aug 94

[Text] Beijing, August 11 (XINHUA)— The civil service system China adopted last October is well under way in most departments of the State Council and over two-thirds of China's provincial governments.

Over 40 out of the 58 departments of the State Council have drawn up enforcement regulations and the system is being carried out in these departments, according to sources at a national conference on the promotion of the civil service system which opened here today.

Twenty-one out of China's 30 provinces, municipalities and autonomous regions on the mainland have drawn up enforcement regulations. The system is also being promoted in some counties that were designated as pioneers to carry out government structural reforms.

Li Guoxian, a state councillor, said at the meeting today that the establishment and promotion of the civil service system is a major task concerning the interests of the whole country and must be accomplished well with joint efforts of all relevant departments.

Song Defu, minister of personnel, stressed at the meeting that all the departments and local governments which are to promote the system should make use of this opportunity to establish an incentive mechanism and to improve their working efficiency so that the broad masses will see the new face of government—industrious and clean.

State Council Urges Educational Reform

OW0110080294 Beijing XINHUA Domestic Service in Chinese 1054 GMT [illegible] Aug 94

[Text] Beijing, [illegible] Aug (XINHUA)— The State Council recently issued a suggestion on the implementation of

"The Outlines of China's Educational Reform and Development" and called on localities to expedite its implementation. The suggestion stresses that the "Outlines" are a blueprint for educational reform and development in the 1990's and in the early years of the next century and are a programmatic document for building an educational system with Chinese characteristics. A conscientious implementation of the "Outlines" is the major responsibility of all levels of party committees and governments and the central task of all levels of departments involved in the administration of education and of all levels and different types of schools.

When touching on the goals and tasks of China's educational development before the year 2000, the suggestion points out that in line with the strategic arrangement for China's socialist modernization construction, the general goals for China's educational development are: A marked increase in the educational level of the populace by the end of this century; a great development in on-the-job training for urban and rural laborers; train a sufficient number of skilled personnel in various fields to basically meet the needs of socialist modernization construction; and build a basic framework for a socialist educational structure with Chinese characteristics which will meet the demands of the 21st century. The suggestion reaffirms the objective that by the end of this century China should realize universal nine-year compulsory education. In line with the principle of working out plans for various regions, of formulating different guidelines, and of taking different implementation steps, regions may differ in their approaches in development goals and speed. Provinces, autonomous regions, and municipalities are urged to formulate stage-by-stage plans and see to the enforcement of those plans for universal nine-year compulsory education in counties and townships and to take up the responsibility of checking enforcement results in line with the "Methods for Evaluation and Checking the Enforcement of the Universal Nine-Year Compulsory Education" issued by the State Education Commission and on the basis of conducting in-house checks by counties (cities, districts).

The suggestion proposes that the large cities and the coastal areas, where the economy is comparatively well-developed, should, on top of the nine-year compulsory basic education, promote high school education (including high school-level vocational education) for as many people as possible. High schools should do their best to develop the education on line with local requirements, to realize three levels of education, namely post-primary, middle-school, and high-school education, greatly develop vocational education, and gradually help introduce education systems for primary, secondary, and college-level vocational education and regular education that promote the common development, that converge with each other, and that develop in a rational and proportional manner. In developing higher education, it is necessary to take an approach centering on strengthening on internal educational mechanisms, in order to help bring about a proper higher education scale, to rationalize the higher education structure, and to greatly raise the quality and efficiency of higher education. The suggestion calls for energetically developing adult education, centering on eliminating illiteracy, on-the-job training, and on continuous education. It also calls for the basic elimination of illiteracy among young and middle-aged people by the year 2000 so as to raise the literacy rate among them to 95 percent. The State Council has decided to set up an organization to coordinate the nation's departments involved in illiteracy-elimination work and to provide guidelines for illiteracy-elimination work. It will also attach importance to and develop education in areas inhabited by minority nationalities. The central and local governments will adopt special preferential policies for minorities in the areas of allotting educational budgets, of providing teachers training, and of distributing the World Bank loans, greatly develop radio and television education and promote audio-visual education at schools, and promote a modern teaching method at schools. A nationwide electronic educational network will be in place by the year 2000. China will further enhance educational exchanges and cooperation with foreign countries, further open Chinese education to the outside world, establish a state fund management committee for foreign studies, plan the management work on attracting foreign students to study in China and on selecting Chinese students to study abroad on a legal framework, and will develop education with the main focus on markedly raising educational quality and efficiency. China will also study and work out standards to improve the basic conditions for running schools at different levels and different types of schools, establish and perfect educational evaluation and supervision systems, enhance the planning work on educational development, rationally readjust educational structure and setup, and energetically promote the cooperation between colleges and universities and between secondary vocational schools.

Regarding the tasks, policies, and measures for deepening educational reform, the suggestion points out the need for adopting a step-by-step approach to promote all-round reforms and to initially establish a new educational structure which is adapted to a socialist market economic and political structure and to scientific and technological structural reform. It is necessary to accelerate reform of the structure of school administration, change the situation of the government monopolizing school administration, establish a new structure and bring about a situation in which governments will be mainly responsible for running schools, with individuals and institutions also sponsoring schools, deepen educational structural reforms at secondary schools and below, improve the structure of running and managing schools according to different types of schools, deepen reform of the higher educational system, establish a system whereby the government will exercise macromanagement over the schools and the school authorities will independently run the schools by gearing to social needs, gradually change a compartmentalized administration at

institutions of higher learning and a situation where colleges and universities are found to be engaging in excessive expansion, optimize higher education's structure and setup, raise school-administration efficiency, actively promote reforms in enrollment and tuition-collection policies at institutes of higher learning, at secondary vocational schools, and at technical schools, reform the employment system for graduates, and gradually introduce the system of students paying for their tuition and a system which allows a majority of graduates to freely choose a profession. Most schools are expected to operate according to the new system in 1997 and the basic transition from the old to a new system will be completed by the year 2000.

The suggestion also proposes the following: Step up legislation on education, manage education according to law, conscientiously implement educational policies, carry out in-depth reform on teaching methods, strive to raise educational quality, enhance party's leadership over the educational work in a down-to-earth manner, greatly strengthen and improve moral educational work, further implement the policy of integrating education with production and labor, adopt diverse forms of methods to promote the close integration of school education and society, accelerate the coordinated reform of the labor, personnel, and wage systems, and do a better job of training and employing more skilled people.

Regarding the increase in educational investment and strengthening the ranks of teachers, the suggestion points out the need for ensuring the state's allotment for education as it is the main source for educational funds. All levels of governments must treat the investment in education as a strategic one, rationally readjust investment structure, and give priority to ensuring the educational requirements are met and realizing the "three increases" as proposed in the "Outlines." By the end of this century, the ratio of the state's expenses for education should reach 4 percent of the GNP. The State Council's relevant departments should formulate corresponding policies, measures, and steps to implement them in an earnest way. It is necessary to formulate and promulgate the "Regulations on the Investment in Compulsory Education" and call on all levels of governments to adopt forceful measures to ensure and to constantly increase investment in compulsory education. To realize the "211 Project," it is necessary to set up a special fund, the budget for which is to be secured and arranged by central, local government, and relevant departments. To ensure an annual increase of public funds for institutes of higher learning and for secondary vocational schools, central departments and provincial-level people's governments should work out standards for public funds for different types of schools under the administration of relevant departments and localities in line with the state's relevant stipulations, and enforce and check on them accordingly. To realize a unity between administration and finance, it is necessary to further carry out reform on the management of education funds and to promote an independent budget for education funding.

Various levels of departments responsible for educational administration shall advance suggestions on an annual plan and report it to the same level of financial departments, which shall include this in the budget; the annual plan should be currently implemented following its approval. The suggestion calls for stepping up supervision and control over local governments' investment in education. Beginning in 1994, the State Education Commission will, along with the State Statistical Bureau, publish information on and step up supervision and control over the use of education funds in various provinces, autonomous regions, and municipalities.

To adapt to the reform of the taxation structure, the suggestion calls for further reforming the method of collecting surcharges for educational funds. The rate of the surcharge for educational funds for urban and rural areas is set at 3 percent of the value-added tax, business tax, and consumption tax. Provinces, autonomous regions, and municipalities shall work out their own collection methods to collect the educational fund surcharge from village and township enterprises and individually run enterprises in rural areas which do not pay the value-added tax, business tax, and consumption tax. Farmers shall contribute 1.5 percent to 2 percent of their per net capita incomes (within the 5 percent of the farmers' burden) for the educational fund surcharge.

To secure educational funds from as many sources as possible, the suggestions proposes the state to support schools in engaging in various business undertakings and to continuously practice the tax-reduction and exemption policy for school-operated businesses (including those run by various types of vocational schools). As a policy, the state shall increase the amount of low-interest loans on a trial basis for school-run businesses, set up educational banks, and use financial levers to secure more funds for education. The suggestion calls for continuously encouraging businesses, individuals, and people overseas to donate funds for education, and rural areas to pool funds to run schools. The amount of donations to education may be deducted from payable taxes according to the relevant laws and regulations.

The suggestion stresses the need to conscientiously implement the "Teachers Law" to strengthen the rank of teachers, to raise teachers' ideological, professional, and teaching levels, to build a contingent of teachers who are of high political and professional quality and who are devoted to education, to further rationalize the teaching staff's structure, to enhance stability among the ranks of teachers, to help raise teachers' social status and increase their salary and benefits, to ensure realizing the goal of raising salary and increasing benefits for teachers as proposed in the "Teachers Law" and in the "Outlines" to never be delinquent on paying teachers' salary, for all levels of governments to pay attention to building houses for teachers and cadres and workers involved in education, help provide better medical services to teachers, particularly those in rural areas, expedite the process of teachers' requests for reimbursements, and for all levels

of governments to devise rules and methods to encourage and commend outstanding teachers and educators.

The State Council has advanced suggestions on raising education to a strategic position, on giving priority to the development of education, and on enhancing party and government leadership over educational work, pointing out that the key to implementing the "Outlines" is for all levels of party committees and governments to raise education to a strategic position, to give priority to educational development, and to conscientiously implement the "Outlines" in day-to-day work. All levels of party and government leaders should be personally involved in education, give equal importance to educational work and economic work, and place education on the important agenda of party and government work. All levels of government should include educational development in their economic and social development plans, the establishment of different kinds of schools in the construction plans for urban and rural areas, and stress educational work when formulating plans or checking and summing up annual government work. All levels of government shall report to the same level of people's congresses each year on educational development and reform. The criteria of whether a leading cadre has stressed education, striven to make necessary investment in education, and accomplished solid results in education should be incorporated into the leading cadres' target responsibility system, and evaluation of his or her job performance records should be based on these criteria.

Ministry Draws Up AIDS Education Program

OW 1108182794 Beijing XINHUA in English 1641 GMT 11 Aug 94

[Text] Beijing, August 11 (XINHUA)—China's Ministry of Public Health has worked out a program aimed at enhancing the awareness of the general public of the importance of preventing AIDS.

The program will cover education for medical workers and AIDS patients as well as the general public.

The Wellcome Company of Britain, a leading world pharmaceutical business, will provide the ministry with [illegible] million yuan to support the program in the next three years, under an agreement signed in Beijing between the ministry and the company.

A ministry official said that though the infection rate of the deadly disease in China is comparatively low, the potential danger remains. Last year the ministry formulated a strategy for the prevention of the disease with the priority on prevention as well as education.

Since then numerous exhibitions on AIDS have been staged all over China, with the number of visitors reaching tens of thousands.

Song Jian Discusses Cleaning Up Huaihe Pollution

OW 1108192194 Beijing XINHUA in English 1641 GMT 11 Aug 94

[Text] Beijing, August 11 (XINHUA)—China is to spend three years to make a severely polluted river, the Huaihe, in east China clean again, said a senior Chinese official in charge of environmental protection.

Song Jian, a state councilor and director of the State Environmental Protection Committee under the State Council, told a meeting here today that China will make concentrated efforts to curb the pollution of the Huaihe river in the coming three years.

By 1997 the river should be clean again, he said.

All local enterprises along the Huaihe must have their waste water treated before releasing it into the river. Those enterprises, whether large or small, which are unable to curb their pollution, will be shut down according to law, Song said.

Starting in mid-July this year the middle and lower reaches of the Huaihe river became seriously contaminated, causing a shortage of drinking water and great damage to the local people's lives as well as to industrial production.

The State Council and the Central Committee of the Communist Party of China (CPC) dispatched an investigation team to the area to study ways to fight this disaster.

In an attempt to prevent the river from being seriously contaminated again, the General Office of the State Council issued an emergency notice Tuesday (30 August) to that end.

The third-longest in China, the river runs across Henan, Anhui, Shandong and Jiangsu Provinces.

After hearing briefings by leaders of the four provinces and the investigation team, Song Jian pointed out that the drinking water supply for local people must be guaranteed.

He also said that effective measures should be taken so that major water pollution cases will not occur again in the Huaihe drainage area.

Emission of polluted water must be controlled. Those enterprises that cause severe water pollution but are unable to treat their pollution by the end of 1995 must be closed down or shifted to other non-pollution sectors.

He stressed that no small paper mills, chemical industry plants or tanneries should be established henceforth in the Huaihe's drainage area.

All those enterprises that release polluted water to the Huaihe river must stop diverting such water to the river before 1997, he said.

In addition, he said that coordination and legal enforcement work should be enhanced.

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Science & Technology

Space Industry To Maintain 'Fast Growth Rate'

CW0109105094 Beijing XINHUA in English 0454 GMT 1 Sep 94

[Text] Beijing, September 1 (XINHUA)—China's space industry will maintain its fast growth rate this year, according to INTERNATIONAL BUSINESS.

The industry fulfilled all its designated goals for 1993 with a total industrial output value of nearly 15 billion yuan, up 35 percent from that of the previous year. It reported a sales volume of 15.3 billion yuan, an increase of 32 percent, profits of 540 million yuan, an increase of 17 percent, and taxes of 490 million yuan, an increase of 25 percent.

In 1993 the output value of airplane manufacturing grew by 24 percent over the previous year, and that of engine making, 27 percent.

The output value and sales income of civilian products made with military technologies reached 11 billion yuan and 11.2 billion yuan, showing respective increases of 35 percent and 43 percent over that of 1992. The industry's services yielded an output value of 1.8 billion yuan, with 150 million yuan in profits and tax payment.

Last year it made 870 million U.S. dollars from exports.

Its cooperation with foreign partners has been expanding. It has signed a number of contracts with Japan and Russia in the exchange of technologies and joint production and management.

Space Industry Enters Era of 'Brilliant Development'

CW0109171094 Beijing XINHUA in English 1600 GMT 31 Aug 94

[Text] Beijing, August 31 (XINHUA)—China's space industry has entered an era of brilliant development, an official from the Ministry of Aerospace Industry claimed.

Since the industry started 36 years ago, China has successfully launched 42 satellites.

This year alone will see the launching of a record seven satellites.

The official said that China now leads the world in some space technological domains, including the satellite retrieval technology, the technology of launching more than one satellite with one vehicle, the satellite measuring and controlling technology and the technology of launching satellites with high-energy low-temperature fuels.

A complete space industry system has taken shape in China, featuring research, designing, experimentation and production, with a nationwide supporting network.

China's space industry has the firm backing of a host of national technology centers and laboratories.

The Beijing Simulation Center, for example, is the largest and most advanced of its kind in Asia. With 11 labs, the center can perform digital simulation and semi-objective simulation for carriers and major civilian systems engineering.

Many of China's space technologies, such as the data-telecommunications and networking technology and the fault tolerance technology for industrial control systems, have been widely applied to petro-chemical, pharmaceutical, sugar and railway transportation industries.

Scientists said that space technology has become one of the indicators of China's comprehensive national strength.

Currently China has more than 40,00 first-class space technology researchers and technicians, of whose over 60 percent are young and middle-aged.

Article Reviews Space Industry Achievements

FBIS-CHI-96-170 Beijing XINHUA Domestic Service in Chinese 0956 GMT 30 Aug 96

[By reporter Yang Wencheng (2799 4850 2052) and Zhou Zhilang (0719 1807 2454)]

[Text] Beijing, 30 Aug (XINHUA)—As the People's Republic greets its 45th founding anniversary this year, its space industry has undergone 36 years of development. In the past 36 years, with the devotion and contributions of several generations of diligent scientists and technicians engaged in the space industry, China has launched 42 man-made satellites for various uses. China's plan to launch seven satellites this year, a remarkable record, shows that its space industry has entered a period of full bloom, and China has become one of the leading countries in the world in terms of space technology.

On 4 October 1957, the world's first man-made satellite was launched successfully, a big stride in mankind's venture into space. In 1958, China built its first satellite launching center in Jiuquan. Since then, space scientists and technicians have gone deep into the mountains, the barren Gobi, and remote deserts, and worked very hard to set up three modern space bases in Jiuquan, Xichang, and Taiyuan.

In the past 36 years, China's space sector established large-sized, well-equipped, and professional research, production, and test bases. A complete space industrial system that includes research, design, experimentation, test, and production sectors, and a national scientific and technological production cooperation network have been established. China's space industrial system has established a bunch of state-level technological centers and laboratories. Among them, the Beijing Simulation Center is currently the largest and most advanced simulation center in Asia. It has 11 laboratories in which digital simulation for carrier rockets, semi-authentic simulation, and large simulation experiments for civilian departments can be conducted. The state's research results in computer systemal technology, mistake tolerance technology of industrial control systems, digital communications and network technology, engineering technology of the industrial control systems, and STD-5000 (expansion unknown) industrial control monitorization have been extensively applied in more than 1,000 sections of the petrochemical, pharmaceutical, sugar production, railway signal control, furnace temperature control, and numerically-controlled machine tool fields. These research results occupy a 40 percent share of the market.

At present, China's space technology has reached advanced world standards in some important fields, including satellite retrieval, launching several satellites with one carrier rocket, satellite test and control, development of rockets using high energy and low temperature fuels of, and geostationary satellite launching.

In the past 36 years, China has scored many achievements in space industry. Since reform and opening up, more than 10,000 scientific and technological research results have won scientific and technological progress awards at ministerial level or above, and the state invention award. Of these, 170 research results won the state invention award—nine special prizes, 15 first prizes, 46 second prizes, and 100 third prizes; and 9,827 research results won scientific and technological progress awards at ministerial level. These technological results are mainly related to manufacturing, launching, retrieving, testing, and controlling of satellites, to producing and launching of rockets, and to research and production of products for civilian use. Space technology has become an important indicator of China's overall strength. Of the 42 satellites launched successfully by China, some were for scientific experiment uses, some were returnable, and some were communications satellites on a fixed orbit. Some of these satellites are manifestation of the popularization and application of China's opened technology, some are symbols of the exploration of new technology and new fields, some are experiments of higher technology, and some are very important in the global high technology field.

China has cultivated and trained a group of excellent space experts that have won world acknowledgement. At present, China has more than 40,000 senior researchers, engineers, and technicians in the space sector. These outstanding experts are like the numerous shining stars in the galaxy. At present, 15 space experts including Ren Xiaomin, Tu Shoue, Huang Weilu, Liang Shouqian, Zhuang Fenggan, Sun Jiadong, Min Guirong, and Cai Jintao are council members of the Chinese Academy of Science. Outstanding space experts led by Ren Xiaomin, chief designer of satellite communications projects, Tu Shoue, chief designer of long-range rockets, Huang

Weidu, chief designer of solid propellant rockets, and Liang Shoupan, strategic guided missile expert, enjoy good reputations both at home and abroad. Among these famous scientists, 23 are academicians of the International Academy of Astronavigation. At the 34th assembly of the International Astronavigation Joint Committee, Yang Jiaxu, chief designer of scientific experimental satellites, was elected executive vice chairman and has been reelected four times since then. At the 38th assembly of the International Astronavigation Joint Committee, Lu Yuanyu, satellite control systems expert, was elected executive vice chairman.

What attracts most attention is the middle-aged and young scientists and technicians who have become the major force of the space industry. Especially, a large number of young scientists and technicians make full use of their talent and play an active role in research, designing, production, and testing. So far, 38 scientists and technicians including Liu Jiyuan, Sun Jiadong, Qi Faren, and Wang Yongzhi have been named as state middle-aged and young experts who make outstanding contributions, and 137 experts including Wang Liheng and Shen Shiwei were named ministerial middle-aged and young experts who have made outstanding contributions in model research and designing, and in scientific and technological management. More than 320 young scientists and technicians under 35 have been invited to take up senior technological posts, and quite a few of them are leaders at various levels. In the model research and designing field, more than 80 percent of scientists and technicians are young people, showing that there is no lack of talented people in China's space industry, and China's prospects for developing the space industry are good.

SSTC Sets Up Experimental Development Zone in Sichuan

(FBIS-CHI-94-170) 2094 Beijing XINHUA in English 0202 GMT 1 Sep 94

[Text] Chengdu, September 1 (XINHUA)—The State Scientific and Technology Commission (SSTC) has set up a "comprehensive experimental zone for state and social development" in Jiannei District in southwest China's Sichuan Province.

Already, 100 zones have been established across the country as parts of a key project to realize "China's 21st Century Agenda" which aims to improve the environment, harmonizing and promoting the comprehensive development of the society.

These zones were set up following strict requirements and standards, such as guiding ideology, general goals and major tasks.

They will try to find an effective model for social development, while gradually narrowing the gap between urban and rural areas.

The experimental items will cover all fields of social development, including population, natural resources, ecological environment, urban construction, culture and education, sports and public health, employment, lifestyle, social services and security.

Jiannei district now has 120 institutes for scientific research and 8,159 technical personnel. Last year its 110 joint-ventures and foreign-funded enterprises earned 6.6 million U.S. dollars from exports.

Military

Liu Huaqing Speaks at War History Book Inauguration

(FBIS-CHI-94-170) 2094 Beijing XINHUA in Chinese 1154 GMT 30 Aug 94

[By correspondent Si Yongqian (2448 3057 3089) and reporter Ma Xiaochun (7456 0879 2504)]

[Text] Beijing, 30 Aug (XINHUA)—*The History of the 120th Inner Division, a Joint Defense Force in Shaanxi, Gansu, Ningxia, Shanxi and Inner Mongolia in the War of Resistance Against Japan*, a war history book that truthfully and vividly recorded the glorious achievements in the War of Resistance Against Japan, has been published by the Military Science Publishing House. Liu Huaqing, vice chairman of the Central Military Commission, spoke at today's book-launching ceremony.

Liu Huaqing said China's War of Resistance Against Japan was an important part of the world's antifascist war. It not only made an indelible historical contribution to China's own independence and liberation but also to the antifascist cause of the world's progressive people. During the War of Resistance Against Japan, the Eighth Route Army's 120th Division, a joint defense force in Shaanxi, Gansu, Ningxia, Shanxi and Inner Mongolia, under the leadership of He Long and Guan Xiangying, resolutely executed the line, principles, and policies worked out by the CPC Central Committee and Chairman Mao Zedong, forged solidarity with the broad mass of people in Shaanxi, Gansu, Ningxia, Shanxi, and Inner Mongolia, persisted in waging a guerrilla warfare behind the enemy lines, defeated the enemy, built itself into a strong force, and established and consolidated the Shaanxi and Inner Mongolia anti-Japanese base. While waging a struggle against the enemy, the 120th Division had built itself into a leaner and yet more powerful force, simplified administration, rectified work style, supported the government and cherished the people, showed respect to the Army officers and great concern for them, launched a drive to perfect military skills and a production competition drive, overcame great difficulties, and created historical miracles. At the same time, it cultivated and put to test the serve-the-people and selfless-devotion spirit, close-units spirit, self-reliance and enterprising spirit, and dauntless overcome-the-difficulty spirit, which were referred to and praised by the later generations as the "Yanan Spirit."

Liu Huaqing pointed out that China's achievements in reform, opening up, and modernization construction have attracted worldwide attention. However, the tasks ahead are heavy and arduous and the road before us is a long one. The publication and sale of the book will help the Army's cadres, local cadres, and the masses, young people in particular, to study the Army's experience, to inherit and carry forward the glorious tradition of the people's Army, and to develop the "Yuan Spirit."

The 440,000-character book, in addition to the main text, includes a chronicle of major events, tables, names of martyred cadres at regimental level or higher, diagrams showing different stages of war, major campaign and battle pictures, and statistical data on military successes.

Attending the inaugural ceremony were Chief of General Staff Zhang Wannian, General Logistics Department Director Fu Quanyou, and over 60 veteran comrades, including Luo Ruiqing and Lu Zhengcao.

Zhang Wannian Speech Emphasizes Army Unity

OW0109091594 Beijing XINHUA Domestic Service in Chinese 0945 GMT 31 Aug 94

[By reporter Ma Xiaochun (7456 0879 2504)]

[Text] Beijing, 31 Aug (XINHUA)—Zhang Wannian, Central Military Commission member and chief of the General Staff, today spoke at a report meeting which was sponsored by the General Staff Department on the advanced deeds of respecting Army officers and cherishing the men. He said: Stressing unity between officers and soldiers and showing respect to officers and concern for soldiers are the full realization of the Army's outstanding tradition of handling internal relations, a magic weapon to defeat the enemy and to score victories, and an important Army-building experience which must be inherited and developed and never be discarded at any time.

Zhang Wannian added that the Chinese Army is the people's army under the leadership of the party, that all officers and soldiers come from the people, and that they enjoy political equality. The kind of relationship between the officers and soldiers that is built on a common political basis sets our army distinctly apart from that of the capitalist countries' armies. Persisting in promoting unity between officers and soldiers and launching a respect-officers and show-concern-for-soldiers drive are a full manifestation of implementing Comrade Deng Xiaoping's theory on Army building in the new period, an important guarantee to maintain the nature and purpose of our army, and an important basis with which to enhance cohesiveness, raise combat effectiveness, and maintain a high degree of stability, coordination, and unity in the armed forces.

When touching on the dialectical relationship between strict management of the Army and of showing concern for the rank and file, Zhang Wannian said: The strict management of the Army is one of our principles. Showing concern for the soldiers is the basis for doing a good job concerning the strict management of the Army. Only by establishing a strict management on the basis of showing concern for the soldiers can it be possible to strictly yet rationally, scientifically, and lastingly manage the Army, and to make fighters voluntarily identify with and accept measures on strict management.

Zhang Wannian called on the broad mass of cadres to review the important speeches and instructions of the party's third-generation leaders on the unity between officers and soldiers, to fully recognize the importance of inheriting and developing the Chinese Army's excellent tradition of respecting officers and cherishing soldiers under the new situation, to better adhere to the principle of the unity between officers and soldiers, and to never allow corrupt thinking to corrode the healthy officers-soldiers relationship in the Army. Success in doing that will enable our army to remain a united fighting force and will make our army always invincible.

QIUSHI Views Deng's Ideas on Army Building

HK0109084094 Beijing QIUSHI in Chinese No 17 Aug 94 pp 14-17

[By Hou Shudong (0186 2885 2767), deputy head of the National Defense University: "A Glorious Theory and Scientific Guide—Thoughts on Studying Deng Xiaoping's Thinking on Army Building During the New Period"]

[Text] Deng Xiaoping's thinking on army building in the new period is a continuation and development of Mao Zedong's military thinking, an important component part of the theory of building socialism with Chinese characteristics, and the guiding thinking in making our Army more revolutionary, modern, and regularized. Studying, researching, and putting into practice Deng Xiaoping's thinking on army building during the new period is a historical task in our army building.

Back in 1975, when Comrade Deng Xiaoping made his first comeback, he took up the post of deputy chairman of the Central Military Commission and concurrently that of Chief of the General Staff. In the face of the damage inflicted by Lin Biao and the "Gang of Four," he stressed that "the armed forces must be overhauled and consolidated," revived Mao Zedong's army building traditions, and put forward a series of important army building ideas, such as stressing the grasping of establishment size, the grasping of equipment and the grasping of strategy, the need to overcome softness, sluggishness and diffusion, and establish a leading group which was daring, the need to readjust the cadre contingent and have exchanges of leading cadres, the need for the armed forces to overcome factionalism, strengthen party spirit and strengthen discipline, and so on. The unfortunate thing is that, because Comrade Deng Xiaoping was overthrown a second time, these ideas were discontinued. In 1977, when Comrade Deng Xiaoping

reemerged for the second time and reserves his leadership post. In response to the mistaken policy of the "two whatever," he put forward the judgement that it was necessary to completely and correctly understand and master the scientific system of Mao Zedong Thought. He noted that proceeding in everything from reality, linking theory with practice, and seeking truth from facts are the quintessence of Mao Zedong Thought. He also put forward some important principles noting that we must turn the armed forces into a university, that it was necessary to raise education and training to a strategic position, and that, under the new historical conditions, it was necessary to strengthen ideological and political work.

After the Third Plenary Session of the 11th CPC Central Committee, which was of historical significance, and particularly after Comrade Deng Xiaoping assumed the post of chairman of the Central Military Commission, he published a series of important works, including, "In Modern Warfare, It Is Necessary To Gain Control of the Air," "In Building the Navy, We Must Stress Real Fighting Power," "Streamline the Army and Raise Its Combat Effectiveness," "Our Strategic Policy Is Active Defense," "Build Powerful, Modern, and Regularized Revolutionary Armed Forces," "The Armed Forces Must Submit Themselves to the Overall Tasks of National Construction," "Peace and Development Are the Two Major Issues in the Contemporary World," and "China Must Establish a Position in the World's Science and Technology Sphere." Under the guidance of the ideological line of liberating thought and seeking truth from facts, he established a series of important army building principles, including the basic targets, basic tasks, avenues of construction, and strategic principles in building the army in the new period, thereby forming a quite complete ideology of building the army in the new period.

The basic points of Deng Xiaoping's ideas on army building in the new period are:

—The armed forces must use the methods of seeking truth from facts, proceed from reality and, combining theory with practice, sum up past experiences, analyze new historical conditions, and put forward new tasks and new principles.

—Today, the growth in the forces of peace has transcended the growth in the forces of war and it is possible that for quite a long time to come, there will be no large-scale world war. We must not let slip the opportunity to develop ourselves. However, the threat of war still exists and the struggle to oppose hegemonism and safeguard world peace has not been concluded.

—National defense construction cannot be carried out without a firm economic base. The armed forces' equipment can only be truly modernized on the basis of a good national economy. In everything, the armed forces must subordinate themselves to the major tasks of national construction. Under this precondition, they must actively do well in army construction and provide strong and safe guarantees for reform, opening up, and economic construction.

—Only if army building relies on science and technology will it have prospects. We must strive to establish modern People's Armed Forces which are in accord with the development of modern science and technology.

—Making the Army more revolutionary is a major issue in army building. The People's Armed Forces in the new period must firmly and unwaveringly uphold the absolute leadership of the party over the armed forces, uphold the goal of serving the people with one heart and mind, always place the people's interests above all else, maintain the true qualities of the People's Armed Forces, and be revolutionary fighters with ideals, morality, culture, and discipline.

—Modernization is the central link in army building. The People's Armed Forces in the new period must, on the basis of continuous development of the national economy and in light of national capacities, accelerate the improvement of weapons and equipment. The leading cadres in the armed forces must strive to master knowledge of modern science, technology, and culture and improve the capacity of the various services to gainly wage war under modern conditions. It is necessary to study people's war under modern conditions and utilize the experiences of foreign armies in order to develop the military services of our country.

—Regularization is an important condition for building the Army and it is necessary to uphold the use of law in administering the Army. It is necessary to perfect systems and regulations, perfect military law and regulations, strictly enforce organizational discipline, strengthen management and, in an overall way, establish regular organizations in terms of strategy, training, work, and livelihood and establish scientific systems and establishments which are in accord with the demands of modern warfare.

—Stress must be placed on qualitative construction and we must travel a road of developing crack troops with Chinese characteristics. Under the current temporary conditions of there being no war, we must raise education and training of the armed forces to a strategic position and achieve the best combination of troops and weapons.

—It is necessary to uphold the strategic policy of active defense and base ourselves on successfully fighting limited wars under modern conditions, especially under high-tech conditions. We must implement a people's war system in which field armies, local armies, and militia are combined and create a new form of people's warfare under modern conditions.

The formation of Deng Xiaoping's thinking on army building in the new period is not accidental. Rather, it is the manifestation, on the theoretical level, of the demands of army building under the characteristics and trends of development of the new historical period. Thus, if we want to deeply understand and master Deng Xiaoping's ideas on army building in the new period, it is necessary to understand the basic characteristics of the new period.

The international environment is one in which the world is enjoying a relatively peaceful historical period. Our overall era is still one where socialism has replaced capitalism. Although the road of development is winding and tortuous, this essence and trend of the overall era cannot be changed. As Comrade Mao Zedong said: The essence of the process is determined by the basic contradictions of the process, and, before this process is completed, this cannot be changed. However, because of changes in the contradictions, different stages of development can appear in the one process. In this overall era in which we are situated, due to the changes in the contradictions, it is inevitable that we have to divide it into different periods. Seen in terms of the era where socialism has replaced capitalism, this has involved two major periods. The first was the period mainly characterized by warfare and reform, while the second was a period characterized mainly by peace and development. In the first period, socialism attained a brilliant victory but the realities of victory limited people's view. After we entered the period characterized mainly by peace and development, we continued to uphold the view of the inevitability of world war. It was only when Comrade Deng Xiaoping put forward the judgment that peace and development are the two major aspects of the contemporary world that our ideas were suddenly enlightened. We recognized that a world war was not going to break out for a time and thereby achieved a strategic shift in army building. That is, we changed from preparation for mass-scale war involving first strike, large strike and nuclear weapons to where army building in a period of peace was subject to more thought and further discussion.

The domestic environment is one where, in a major historical period, the state is taking economic construction as the center. After the basic completion of the socialist transformation of the private ownership of the means of production, in deciding whether or not the party's work focus should be switched to economic construction, we went through a tortuous and twisting course. The party's eighth congress, proceeding from the changes which had taken place in the major contradictions, made some correct decisions. However, these firm arrangements were very quickly broken down by the development of the domestic and international situations. There was then a return to the concepts and practices of taking class struggle as the key link, which finally produced the tragedy of the Great Cultural Revolution. Through examining these extreme social shocks and comparing their positive and negative aspects, Comrade Deng Xiaoping put forward the idea of taking economic construction as the center. Only in this way was consensus achieved throughout the whole party and the people of the whole country. This essential characteristic of historical development in the new period determined that our Army's construction must be subordinated to the overall tasks involved in taking economic construction as the center and that we must act in accordance with the overall tasks. At the same time, he required that, under the precondition of subordinating themselves to the overall tasks, the armed force must actively develop themselves and provide powerful and safe guarantees for reform and construction. The basic principles of Deng Xiaoping's thinking on army building in the new period are all tightly linked with this essential characteristic.

Seen in terms of the development of science and technology, the period is one of important construction for our Army, centered on modernization. The revolution in modern science and technology has had a deep effect on the economy, politics, military affairs, and culture. The productive forces, which are the base of society, have also changed their forms due to the development of science and technology. Science and technology have already become the primary productive forces. Combat strength, as the basis of construction of the armed forces, is seeing an increasing science and technology component. The scientific and technological revolution which is characterized by competitive development among high-level scientific and technological groups, has changed the scale, depth, and modes of warfare and, thereby, has presented new tasks to army building, which means that the central idea must be the modernization of the armed forces. The targets and tasks of army building in the new period are to take modernization as the central link, to establish a revolutionary, modern, regularized People's Armed Forces and to base ourselves on fighting and winning limited wars under modern conditions, particularly under high-tech conditions.

Deng Xiaoping's thinking on army building in the new period is the inheritance and development of Mao Zedong's military thought. Comrade Mao Zedong and his fellow fighters, through establishing of the People's Armed Forces and the practice of a long period of warfare, formed Mao Zedong military thought. Comrade Mao Zedong systematically resolved the question of how the revolutionary armed forces, composed mainly of peasants, were to be built into a new form of people's armed force with a proletarian nature and firm discipline, maintaining flesh-and-blood links with the masses. He stipulated that serving the people with one heart and mind was the sole aim of the People's Armed Forces, stipulated the principle that the party commands the guns rather than the guns commanding the party, formulated the three main points of discipline and the eight points for attention, stressed the three major democracies of political democracy, economic democracy and military democracy, implemented the principles of government-Army unity, military-people unity and destroying the enemy forces, and put forward and

summed up an overall method for armed forces' political work. He systematically put forward ideas on building the People's Armed Forces proposing ideas such as taking the People's Armed Forces as the backbone, relying on the masses of people, establishing rural base areas, and engaging in people's warfare. He raised guerrilla warfare to a strategic position, holding that in China's revolutionary war, for a long period the major form of warfare would be guerrilla warfare and mobile warfare with the characteristics of guerrilla warfare. He expounded on the idea that following changes in the ratio of strength between the enemy and ourselves, and the progress and development of the war, it was necessary to correctly implement changes in military strategy. He formulated a series of people's warfare strategies and tactics for the revolutionary armed forces, such as, in a situation where the enemy is strong and we are weak, where it is necessary to implement protracted warfare and battles of quick decision in campaigns and fighting, to turn strategic weaknesses into strengths in campaigns or battles, and to concentrate a superior force in order to destroy the enemy forces one by one. After the founding of the PRC he put forward important guiding ideas on the necessity to strengthen national defense, establish modern revolutionary armed forces, and develop modern national defense technology. Mao Zedong's military thought is a broad-ranging and deep theoretical system. It is a magic weapon which has in the past allowed us to defeat our enemies and achieve victory, while in the new period it is still a theoretical guide for guiding the building of our forces and engaging in warfare.

How do we understand Deng Xiaoping's thinking on army building in the new period as the inheritance and development of Mao Zedong's military thought? From the angle of inheritance, this can be explained in two aspects. First, Comrade Deng Xiaoping has safeguarded and upheld Mao Zedong Thought, which includes military thought. He has pointed out: "Not only today but also in the future, we must hold high the banner of Mao Zedong Thought." "Without Chairman Mao, at the very least we Chinese people would have spent a longer time working in the darkness. The greatest achievements of Chairman Mao were to combine the principles of Marxism-Leninism with the realities of the Chinese revolution and to point out the road by which China would achieve victory in the revolution." "He creatively used Marxism-Leninism in every aspect of the Chinese revolution, including in the philosophical, political, military, art, literature, and other spheres. In all of these he had creative understandings." The work of drafting the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC," which was personally led and presided over by Deng Xiaoping, concretely and clearly summed up the scientific system of Mao Zedong Thought, which included building revolutionary armed forces and military strategy, and it called on the whole party to uphold and develop Mao Zedong Thought. Second, Comrade Deng Xiaoping was an important member of the party's first-generation leadership group, a close comrade-in-arms of Comrade Mao Zedong, and he made a major contribution to the formation and development of Mao Zedong's military thought. Not only was he very familiar with Mao Zedong's military thought, he had personal experience of its implementation. The famous successive battles north and south of the Changjiang River by the armies of Liu Shaoqi and Deng Xiaoping, and the great achievements realized therein, were a victorious practice of Mao Zedong's military thought. Thus, every basic principle in Deng Xiaoping's thinking on army building in the new period manifests Mao Zedong's military thought and the entire theoretical system radiates the glow of Mao Zedong military thought. These various principles include the principle that seeking truth from facts is the quintessence in army building, the principle that the party exercises absolute leadership over the army, the principle of strengthening organizational discipline and giving play to outstanding traditions, the principle that army building must be subordinated to state economic construction, the principle of modernization of national defense, and so on. All of these can be traced in a continuous line to Mao Zedong's military thought.

In the development sense, this can be understood mainly from the changes in historical conditions. Mao Zedong's military thought was mainly formed in a huge semi-feudal, semi-colonial country, while struggling to obtain political power through revolutionary war and a war of national liberation. It was a theoretical manifestation of the patterns of military operation at that particular time and in that particular environment. Deng Xiaoping's thinking on army building in the new period was formed in the process of building socialism with Chinese characteristics. It is a theoretical manifestation of the patterns of military operation at this particular time and in this particular environment. In this sense, Deng Xiaoping's thinking on army building in the new period is a completely new stage in the development of Mao Zedong's military thought.

Deng Xiaoping's thinking on army building in the new period is still developing. In 1989, after the Fifth Plenary Session of the 13th CPC Central Committee approved Comrade Deng Xiaoping's request to step down from his post as chairman of the Central Military Commission, Comrade Deng Xiaoping still continued to concern himself with the construction of the state and the building of the army. Whether it was in his famous speeches while inspecting the south, or at important junctures in armed forces' development, Comrade Deng Xiaoping has always sharply and in a targeted way put forward important ideological principles, such as the idea that the theory of the nature of socialism and the party's basic line would not change for 100 years, ideas on the historical position of the people's democratic dictatorship and the role of the armed forces, and the idea that under the new historical conditions it is necessary to give play to the glorious traditions of the Red Army. All of these are rich with the contents of the ideas

on building the Army in the new period. After the formation of the Central Military Commission with Comrade Jiang Zemin as the center, there was overall implementation of Deng Xiaoping's thinking on army building in the new period. In particular, at the 14th Party Congress, Deng Xiaoping's thinking on building the Army in the new period was formally put forward and, thereby, the basic leading position of this thinking in army building was established. At the same time, the general requirements in army building of "being up-to-standard politically while having military mastery, an outstanding work style, and strict discipline and providing powerful guarantees" were put forward, the strategic policy of active defense was established, and the focal point of armed struggle was placed on fighting and winning limited wars under modern conditions, especially under high-tech conditions. This was a positive contribution to the development of Deng Xiaoping's thinking on army building in the new period.

The reason Deng Xiaoping's thinking on army building in the new period has been able to become the guiding ideology in the building of our Army is determined by its profound truth. Using this ideology to arm the whole Army is the basic element in building revolutionary, modern, and regularized People's Armed Forces which are under the absolute leadership of the party.

Army–Air Force Boat Unit Develops Rapidly

OW 1108002394 Beijing XINHUA Domestic Service in Chinese 0914 GMT 29 Aug 94

[By Central People's Broadcasting Station reporter Meng Fanwen (1322 0416 2773) and XINHUA reporter Cao Zhi (2580 2535)]

[Text] Jinan, 29 Aug (XINHUA)—Since its founding 45 years ago, the Army–Air Force Boat Unit [chuan ting bu du 5207 5312 6752 7130] of the People's Liberation Army [PLA] has made outstanding contributions to strengthening national defense and supporting national economic construction. It has become a major force on the military transportation and communications front.

At a recent all-army conference on the work of building army and air force boat units, Fu Quanyou, member of the Central Military Commission and director of the General Logistics Department, asked the unit to work hard to improve its overall logistic and rapid response capabilities and become a boat unit compatible with the military's coastal defense and inland water systems needs.

The Army–Air Force Boat Unit is deployed along our country's long coastline and border rivers and is charged with the responsibility of transporting and logistically supporting military units stationed along the coastal defense lines and water systems, including maritime transportation, reconnaissance and patrol, maritime telecommunications, artillery target practice, space survey and measurement, and logistic supply. It is a unit which assists other military units in performing special missions on waters, a unit rarely known to people. During the last 45 years, the unit averaged more than 1.2 million nautical miles a year in navigation, shipped 600,000 tonnes of supplies, transported 400,000 personnel in water crossing, provided logistic support for more than 600 meetings and talks, handled and prevented the aggravation of some 500 border cases involving foreign entities, and ensured 3,500 times of aircraft flight. In the short period of last five years, the unit took part in disaster relief on more than 1,000 occasions and rescued some 5,000 people in distress.

At the meeting, Fu Quanyou asked the unit's officers and men to work under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and in accordance with Comrade Jiang Zemin's general requirements contained in his five-phrase statement [seize the opportunity, deepen reform, open up wider, promote development, and maintain stability], fully recognize their historical mission, continue to advance regularization, and build the unit into a great wall in waters to provide reliable logistic support to the military.

Economic & Agricultural

Zhu Rongji Stresses Agriculture Development

OW 1108190994 Beijing XINHUA in English 1640 GMT 31 Aug 94

[Text] Taiyuan, August 31 (XINHUA)—Vice-Premier Zhu Rongji has stressed the importance of developing agriculture, saying close attention should be paid to grain production and the "vegetable basket."

During a five-day inspection of north China's Shanxi Province this month, Zhu also said that efforts should be made to promote the development of township and village enterprises and boost infrastructure construction.

Accompanied by provincial leaders, the vice-premier visited local state-owned factories, mines and several villages.

In Xiguo Village, Pingshuo County, he praised Shen Jilan, a well-known model peasant woman and a deputy to the National People's Congress, who has led the villagers to fight poverty for decades. Zhu visited her family and had a cordial talk with her and other villagers.

Zhu told local leaders that agriculture is the basis of the national economy. At no time should a sufficient supply of grain, meat and vegetables be ignored, he stressed.

He noted that although the issue of the development of China's agriculture has frequently been stressed by the central government, some localities have for a quite long period devoted their main energies to building development zones and new industrial projects, attracting foreign businesses, and developing real estate and stock and

securities exchanges. "The country cannot develop without stable agriculture," he said.

Speaking of the province's agricultural development, Zhu said that lack of water is a big problem in Shanxi, and more wells should be sunk to make use of underground water.

Zhu said he was satisfied with the province's reforms in the fields of finance, taxation and banking, saying that Shanxi has done a good job of straightening out its financial order.

Zou Jiahua Calls for Tighter Land Use Control

OW 1108191994 Beijing XINHUA in English 1615 GMT 11 Aug 94

[Text] Beijing, August 11 (XINHUA)—Vice-Premier Zou Jiahua called on governments at all levels to enhance the state's unified and exclusive control over land use in order to protect farmland resources.

During a conference on reform of the land-use system today, Zou said that local officials should pay more attention to land management by enforcing the state's land-use laws and cultivating more standard land markets, so as to ensure a sound growth of China's socialist market economy.

In the past few years, China has made remarkable achievements in reforming the old land management system, he said. China has effectively curbed illegal occupation and abuse of farmland, and burgeoning land markets are ensuring that land resources are used in a more rational manner.

The monopoly of land supply has enhanced the state's macro-economic control capability and, as a result, local governments have obtained bigger revenues from land assets.

On the other hand, land reforms have led to a better investment environment for the country's economic growth and opening-up drive.

In addition, land speculation has been brought under control.

However, he said that there are still some problems, such as decreasing acreage of farmland, abuse of power in approving land projects, selling land at too low a price and illegal land use. Weak macro-adjustment in land supply in some places have caused severe losses of state land assets.

Zou pointed out that the problems can only be solved by further reforms of the country's land-use system, which means more and more land will be paid for by the users instead of being merely allocated free by the state.

In addition, the state will tighten the management of state land assets in the course of an enterprise's transformation into a share-holding company.

With the fact that land in different locations has different prices, outdated enterprises and old urban districts can be upgraded without seizing agricultural lands.

He said that during the reform land management officials should handle properly the relation between economic development and arable land protection, bearing in mind that China has a small amount of farmland per capita.

On the other hand, the nurturing of the land market should be combined with the state's macro-control in which the state's land management organs should enjoy a monopoly of land-use power.

He stressed that the reforms will strengthen the function of state land management departments in carrying out land-use laws.

For government officials at all levels, the changing acreage of arable land, the exploitation of existing cultivated areas and the implementation of land-use laws will serve as important factors in assessing their job performance, the vice-premier said.

Li Lanqing Addresses National Cotton Meeting

OW 0109090494 Beijing XINHUA Domestic Service in Chinese 1021 GMT 29 Aug 94

[By Liu Zhenyong (0491 2182 5391), Central People's Radio Network reporter, and XINHUA reporter Sun Beixiao (1327 2609 1030)]

[Text] Beijing, 29 Aug (XINHUA)—The national work conference on cotton was held by the State Council in Beijing today. Speaking at the conference, Vice Premier Li Lanqing demanded that all localities and departments unify their thinking, understanding, pace and actions, take coordinated measures, and deepen reform to do a good job in this year's cotton production, purchase, and supply.

Li Lanqing said: Cotton is a strategic material of vital importance to the national economy and people's livelihood. The State Council recently decided that the state will still unify the price and operations for purchasing and marketing cotton for the time being. Cotton markets will not be deregulated, nor will the "double-track price system" be instituted. The reform of the cotton circulation system presently will place emphasis on straightening out the price relationship, establishing a standardized market circulation order, perfecting the system for ensuring and supervising the quality, and improving the reserve system and macroregulation and control according to the laws of a socialist market economy, to restore cotton production and promote its stable growth, make sure that the state controls cotton resources, guarantee the quality of cotton, promote the healthy development of the textile industry, increase foreign exchange earnings through exports, and create conditions to further reform the cotton circulation system. These are the guiding principles for the present work on cotton. If

cotton were deregulated under the tense situation of an imbalance between demand and supply, it would only aggravate the fluctuations in the market, which would then lead to the skyrocketing and plummeting of cotton prices and drastic ups and downs in production. This would not only harm the interests of peasants and textile enterprises, but would also affect the overall situation for the sustained, rapid, and healthy development of the national economy. All localities and departments must truly grasp the spirit of the State Council's decision and keep their thinking and actions in unison with those of the central authorities. Departments and localities are absolutely not allowed to launch policies which contradict the guidelines of the central government. Administrative decrees and thinking must be unified across the country, whereas concerted efforts and measures must be taken to guarantee cotton's normal circulation order, quality, and production.

He noted: This year's cotton production currently seems to be going well. Although we are not now deregulating cotton markets, operations, and prices, we will still attach importance to and respect the law of a market economy when considering and drawing up policies. After repeated investigations, studies, and calculations by relevant departments, the State Council decided to raise the purchase price for cotton to 900 yuan per dan (50 kg). Although this will increase the pressure on and burdens of textile enterprises, most of them can still strive to absorb and withstand them.

Having expounded on the rational readjustment to the cotton price, Li Lanqing stressed the need to strengthen the management of markets and to maintain the normal circulation order. He said: All localities must strictly adhere to the state-set purchase and supply prices and relevant policies. Fees collected by circulation links at all levels will also be set by the state and published in newspapers. In a word, the State Council is in charge of setting prices. Except for prices set by the State Council, all localities and departments are not allowed to raise prices for purchasing and supplying cotton without authorization, nor are they permitted to add additional prices or charges to state-set prices under any pretext.

Li Lanqing said: In order to place cotton in the hands of the state, the State Council has decided that cotton is solely managed by supply and marketing cooperatives. Farms that produce fine seeds and state-run farms of agricultural departments are allowed to purchase and process only cotton grown in their own areas, and the processed cotton will still have to be delivered to supply and marketing cooperatives. No companies, private cotton dealers, departments, and enterprises (including textile enterprises and individuals) are allowed to interfere in the purchase, processing, and marketing of cotton. Localities are not allowed to build wholesale markets, nor are they allowed to engage in any form of "direct marketing by growers," which runs counter to the state's purchase, allocation, and supply plan, or to introduce so-called "coordination cotton" or "friendship cotton" under all sorts of pretexts. Industrial and commercial administration, quality control, discipline inspection, supervision, and public security departments, procuratorial organs, and people's courts should firmly put down trends of the panic buying of cotton once they crop up. Governments at all levels must take early action to strictly and thoroughly bring cotton under control.

Li Lanqing urged all localities to strengthen the management of cotton allocation to ensure that the textile industry's demands for cotton are met, as well as to strengthen and improve the management of cotton storage to make sure that the state does not suffer any property losses.

In speaking on strengthening the control of cotton quality and strictly cracking down on violations of the law by increasing cotton's grade and price or "mixing poor-quality cotton with good-quality cotton," he said: In view of the seriousness of the cotton-quality problem at present, the State Bureau of Technical Supervision should currently and properly supervise cotton purchasing, processing, allocation, and storage, while continuing its strict crackdowns on the crime of "mixing poor-quality cotton with good-quality cotton," and strictly handle all cases of breaking the law according to the law.

Speaking on the issue of intensifying efforts to ensure cotton production by relying on science and technology, Li Lanqing noted: We should achieve breakthroughs in developing new high-quality and high-yield cotton strains and in the comprehensive prevention of bollworm. We should also vigorously promote the technology for higher cotton yields, such as the use of plastic farmland sheeting, develop an optimum scale for growing cotton according to various local conditions, and properly readjust the structure of cotton- growing areas and construct bases of quality cotton.

Li Lanqing stressed: Cotton is an important material that is strategic to the national economy. It is not only vital to peasants' incomes but also to industrial production, people's livelihoods, foreign exchange earnings through exports, and social stability, so we must not lower our guard. All localities and departments must firmly implement the State Council's series of arrangements concerning the policies toward cotton, and they must swiftly relay the orders to grass-roots units so that every household and person is informed and so that preparations for purchasing can be completed early, which will be a contribution to stabilizing and increasing cotton production.

The conference was presided over by State Councilor Chen Jiankang.

Agriculture Minister Liu Jiang, Internal Trade Minister Zhang Haoruo, China Textile Council Chairwoman Wu Weesing, Liu Jomin, deputy secretary general of the

State Council persons in charge of relevant departments, and leaders from 21 provinces, autonomous regions, municipalities, and three cities with provincial-level economic decision-making authority attended the conference.

State Council Official Urges Better Land Use Reform

HK1108115594 Beijing ZHONGGUO LINYEBAO [illegible] in English 1117 GMT 11 Aug 94

[Text] Beijing, August 11 (CNS)—Vice-Premier of the State Council of China, Mr. Zou Jiahua, speaking at a working conference regarding reform on land use system held here, said authorities at various levels must restrict monopoly on land requisition, strictly examine and approve land use according to law in order to guarantee smooth proceeding of deepening reform on land use system.

Mr. Zou said the land use system reform was one important content of the national economic development and economic system reform. It had close relations with deepening reform of enterprises, reform on old urban districts, deepening reform of rural economic system and establishment of socialist market-based economic system.

Reform on land use system has been implemented for eight years and the overall situation was quite good, said Mr. Zou, and three relationship must be carefully handled: namely relationship between economic development and protection for cultivated land; relationship between restriction on macro-control of land market and speeding up establishment and development of such market; relationship between reform on land use system and reform on management system.

Mr. Zou called for further deepening of reform on land use system and improving land administration and three functions. First, range of land use with payment would be expanded; second, land previously allocated by the state for use would be imposed payment in a planned way; third, land property administration would be restricted when enterprises were transformed into shareholding system; fourth, different grades of land can be used differently to speed up transformation of old enterprises and the old urban districts; fifth, batches of collectively-owned land sale and purchase would be banned. Cultivated land would be also prohibited from being used for real estate operation.

Chen Jiansheng Urges Village Enterprises to Raise Efficiency

HK1108100594 Beijing XINHUA [illegible] in Chinese 0807 GMT 09 Aug 94

[By reporter Wang Yanhua (3769 6056 [illegible])]

[Text] Beijing, 10 Aug (XINHUA)—State Councilor Chen Jiansheng spoke at a national forum on management sciences of village and township enterprises, which ended today. He stressed the importance of guiding village and township enterprises to focus attention on raising economic efficiency while developing themselves.

He said: The series of reform programs on taxation, banking, and foreign trade launched by the state since the beginning of this year have quickened state enterprises' pace of shifting their operating mechanisms, opened up China wider to the outside world, and further integrated domestic and international markets. All of these have brought tremendous changes in village and township enterprises' scope, targets, and areas of competition. In order to help village and township enterprises solve contradictions and problems in development, it is crucial to obtain a clear assessment of the situation and seize the opportunity to accelerate reform and opening up. We should guide village and township enterprises to concentrate efforts to raise economic efficiency through work in the following aspects: first, strengthening the management of enterprises; second, improving product quality; third, actively readjusting production structure and product mix toward a more reasonable direction; fourth, rationalizing the distribution of village and township enterprises by developing them in relatively concentrated tracts of land; fifth, making better use of assets to facilitate a rational flow of production elements and optimize the distribution of resources; and sixth, promoting scientific and technological progress to bring into full play the role of the primary productive force.

He also urged all localities to attach importance to environmental protection and safety in production while developing village and township enterprises. Vigorous efforts must be made to upgrade energy-inefficient, pollution-prone equipment. No enterprise should be allowed to pollute the environment. Meanwhile, it is necessary to conserve farmland. In developing village and township enterprises, it is necessary to emphasize the construction of both material and spiritual civilization and to gradually raise the quality of enterprise leaders and workers.

Comrade Bo Yibo sent a letter of congratulations to the two-day forum, which was cosponsored by the Agriculture Ministry's Village and Township Bureau and the Chinese Academy of Management Sciences.

ICBC President Addresses Branch Presidents Meeting

HK1108100594 Beijing XINHUA Domestic Service in Chinese 0807 GMT 09 Aug 94

[Text] Beijing, 10 Aug (XINHUA)—At a meeting of branch presidents of the industrial and commercial banks nationwide which was held recently, President Zhang Xiao of the Industrial and Commercial Bank of China (ICBC) urged all branches to resolutely safeguard the overall situation, to enforce discipline, to strive to do

a good job and to make contributions to curbing inflation and supporting the sustained, rapid, and healthy development of the national economy.

Zhang Xuan said: The industrial and commercial banks will focus on three jobs in the second half of the year. First, we must strictly control loan scale and use limited capital to support production that yields economic results. Banks at all levels are not allowed to offer loans larger than the loan scale issued by the headquarters. It is necessary to use limited capital to support production that yields profits and marketable products, especially give priority to offering loans for the state-owned large and medium-sized enterprises which perform well economically and strive to increase effective supply. It is necessary to implement the measures of linking the issuing of operating funds with sales of enterprises' products and withdrawal of payments for goods from circulation to help enterprises improve productivity, reduce stocks, promote sales, reduce the use of loan funds, and increase economic results. Banks should also must further deepen reform of their system and make a serious step of transforming state-owned commercial banks. They must strictly implement the measures of changing the operating mechanism, improve self-restraint and self-development, and strengthen and improve capital allocation and management, and strive to double efforts to make [illegible] to 2000. Three priorities and one guarantee [illegible] all work must thoroughly implement [illegible] economic reform, relaxed [illegible] and strengthen [illegible] the growth mechanism [illegible] withdrawal of loan applications and [illegible] and promote loan [illegible] and handle large and [illegible]

BEIJING REVIEW: Lands Deng's Economic Thinking

[illegible]

By [illegible] Strategic Significance of Deng Xiaoping's Economic Thinking

[illegible] modernization under socialist [illegible] undertaking, the data [illegible] the international communism [illegible] the major economic centralized [illegible] and the path of industrialization [illegible] The development of heavy [illegible] example of socialist [illegible] in the semi-colonial [illegible] contact between [illegible] which [illegible] generally [illegible] that the last [illegible] and intended the movement [illegible] Handling of [illegible] according to Principle outlined in Mao [illegible] thinking [illegible] right [illegible] for whole [illegible] the following

two decades the Chinese people made many explorations and tests but their efforts succeeded and months failed. They could not really find a path for building socialism more quickly and with less effort. It was not until the Third Plenary Session of the 11th CPC Central Committee in 1978 that the path of modernization with Chinese characteristics gradually became clearer. Noble reform as Deng Xiaoping played a decisive role in the formation of this line. His theory of building socialism with Chinese characteristics has laid the foundations for the resolution of numerous theoretical and real problems we might encountered in the course of China's modernization.

Deng Xiaoping's economic thinking is comprehensive and profound. It is a theme which fully deals with Deng Xiaoping's economic thinking. Here summed up in eight aspects namely: Setting criteria for productive forces; Science and technology are primary productive forces; The essential characteristics of socialism is common prosperity; [illegible] is a revolution which changes the production [illegible]; The market economy can also be [illegible] under public ownership as the majority and [illegible] consistency of various other economic sectors; The basic [illegible] opening up is [illegible] a strategic [illegible] and a well-[illegible] that [illegible] brought. This article will [illegible] be devoted to the discussion of [illegible] strategic ideas which are worth of our understanding and full grasp.

1. Attaching great importance to the development of productive forces is the main line of Deng Xiaoping's whole economic thinking. The thesis that "science and technology are the primary productive forces" embodies the need of modern productive forces and "respect for knowledge and respect for talents" are an important policy conclusion thus arrived at.

The main line [illegible] through Deng Xiaoping's whole economic thinking [illegible] attach great importance to the development of productive forces and take whether or not something [illegible] to the development of productive forces as the fundamental criteria for measuring the strengths and weaknesses of all structures and policies. In line with this viewpoint, Deng Xiaoping put forward the slogan "take the four modernizations as the main point" [illegible] the development of productive forces and always grasp this fundamental line and do not let go. [illegible] the characteristics of contemporary productive forces, he put forward the following practical guiding principles for the development of productive forces: [illegible] the development of productive forces [illegible] other areas of development and [illegible] the development of science and technology [illegible] the development productive forces [illegible] change of work in the major [illegible] put forward the view that "science and technology are productive forces" [illegible] Marx [illegible] productive forces also include science [illegible] permitted [illegible] "The aim of the

four modernizations is the modernization of science and technology. Without modern science and technology, modern agriculture, modern industry, and modern defense are out of the question.

In two speeches he gave in September 1988, he further stated that science and technology are the primary productive forces. He said: "Marx said science and technology were productive forces. This is absolutely correct. However, it does not seem enough to say so now. They are, I am afraid, the primary productive forces." This is a new summary made by Deng Xiaoping in light of the speedily developing science and technology in modern times and of the great promotion of the role of production. These theses by Deng Xiaoping embody the soul of modern productive forces and serve the main points of the question of how to develop modern productive forces. This shows that despite his old age, Deng Xiaoping, who has experienced numerous tests, can still continuously absorb new knowledge and always put his thinking in the forefront of the times. This is very commendable.

As Marx said, modern production is not based on the accumulation of experience but on the understanding of the laws of science. Such being the case, after having a clear understanding that science and technology are the primary productive forces, we will naturally come to the following important policy conclusion: It is necessary to respect knowledge and respect talented persons. Now, using [illegible] the second rehabilitation in [illegible], Deng Xiaoping said emphatically: "It is impossible to achieve modernization through empty talk. We must have knowledge and talented people. Without knowledge or talented people, how can we upgrade ourselves?"

The question of discovering talented people, training them, and using them involves many policy measures, and so Deng Xiaoping has reiterated three principles. First, it is necessary to have a revolutionary and young contingent of cadres who possess knowledge and professional skills. Second, it is necessary to make extremely great efforts to develop education. Third, it is necessary to really implement the policy for intellectuals, and this includes two aspects: First, promote new sociopolitical status and social status, and second, improve their material treatment. As for the political status of intellectuals, [illegible] in [illegible], where Deng Xiaoping had [illegible] work in Jiangxi, pointed out that the overwhelming majority of intellectuals in China are already part of the working class. Regarding intellectuals' material treatment, he said more than once: "We must improve the pay and conditions of intellectuals, no matter how difficult this will be. In order to prosper, [illegible] this question, we must do everything possible and devote either the patient or other areas of more [illegible] growth."

According to Deng Xiaoping's economic thinking, the essential characteristic of socialism is achieving common prosperity on the basis of developing productive forces. This is the reason why we must reform our country's traditional ownership systems to make way for a system in which public ownership acts as the mainstay in coexistence with various economic sectors, with all of them prospering and flourishing simultaneously. We must allow a certain number of people and regions to become rich ahead of others, while taking care to prevent polarization.

What are the more essential features of socialism? Before the Third Plenary Session of the 12th CPC Central Committee in 1984 passed the "Decisions on Reforming the Economic Structure," Deng Xiaoping had pointed out more than once concerning the questions of what socialism and Marxism were that "we had never quite been clear about them." In 1985, however, Deng Xiaoping was able to furnish a clear and explicit answer to the questions in a discussion on upholding socialism: "The difference between socialism and capitalism is that the former can achieve common prosperity and can avoid polarization. To achieve common prosperity, it is necessary to first raise the productive forces by a considerable margin. The principles of socialism therefore are: first, to develop the productive forces, and second, to achieve common prosperity." In his southern inspection addresses made in early 1992, Deng Xiaoping reiterated: "The essence of socialism is to liberate and develop the productive forces, eliminate exploitation and polarization, and finally achieve common prosperity."

Deng Xiaoping's idea of keeping public ownership as the mainstay in coexistence with various economic sectors flows from the aforementioned concepts. Communists advocate public ownership because it paves the way toward common prosperity. However, under the influence of "leftist" thinking, people were led astray by the postulated ideal into a fixed notion that state ownership was the most perfect form of public ownership, the "larger the scale and wider the extent the better." "Squalls of communist winds characterized by extreme egalitarianism" were whipped up under such a doctrine, sweeping out all economic sectors except the state and people's communes' ownership.

In the adjustment periods following the "Great Leap Forward" and the "People's Communes" campaign, the peasantry initiated a new farming operational method—a household contract system—whereby output quotas are contracted out to households with productive means still conducting unified accounting. The method went through considerable development. There had been heated debate on the approach to the problem of the household contract system. Deng Xiaoping was firmly in favor of such an innovation by the peasantry, saying: "I am afraid the way to determine which form of production relations are the best is this: That which helps agricultural production restore and develop more rapidly and better is the form to adopt. That we should adopt whichever form the masses want to adopt, regardless of if it is still illegal." The well-known "yellow cat, black cat" metaphor was made in the context of the "household contract system."

After the Third Plenary Session of the 11th CPC Central Committee, Deng Xiaoping made a series of keynote addresses on the problem of ownership structures in our country, which contended of the development of individual economies, the pursuit of the contract responsibility system on a household basis with remuneration linked to output, the adoption of the policy of allowing the development of private economies, attracting foreign capital, developing foreign-invested enterprises, separating, with a variety of business organizational forms, ownership rights from operating rights, and reinvesting large and medium state-run enterprises.

Guided by Deng Xiaoping's thoughts as described above, there gradually emerged a situation wherein public ownership (including state ownership, collective ownership, and all other forms of public ownership) became the mainstay, flourishing together with various other economic sectors.

The essential characteristic of socialism is achieving common prosperity on the basis of developing the productive forces. Between the two aspects of developing production and achieving common prosperity, the former is the material foundation for socialism while the latter is the social goal of socialism. Socialist revolutions did not score their social victories in developed capitalist countries as Marx and Engels had predicted and thus created the heavy task for socialist countries of having to establish a material foundation before achieving common prosperity.

Between 1958 and 1978, due to the interference of "leftist" thoughts, we mistakenly identified socialism as egalitarianism and, as a result, damaged the incentive of the masses and undermined the development of production. Not only did we fail to achieve common prosperity, we created general poverty. Deng Xiaoping saw perfectly clearly the downside of such a pursuit. "The fundamental objective in our former walking the socialist road is to attain common prosperity; this is what egalitarianism can never achieve. The egalitarianism we pursued in the past, which required us to eat from the 'same big pot,' actually meant collective backwardness and poverty. This is why we got the worst of it." Based on socialist principles, Deng Xiaoping criticized the "gang of four's socialism of poverty, theory, painting cake." "The gang of four shouted about promoting socialism of poverty and communism of poverty, and muddled up about communism being directed mainly toward spiritual aspects; they could not be more absurd!" Experiences from 1958 to 1978 tell us that poverty is not socialism, socialism is how to eliminate poverty.

Since the goal of common affluence cannot be achieved simultaneously by every citizen of the whole society, what then is the way we should take to reach the goal of common prosperity? Deng Xiaoping proposed the "big policy," which stated that, on the basis of development of production, let some people, some enterprises, and some regions become rich first. He said: "Regarding economic policy, I think some regions, some enterprises, and some workers and peasants must be allowed to have more income first and become rich first as a result of their hard work and great results. When some people have improved their living standards, this will have a great exemplary force, which will influence their neighbors and give an impetus to the people in other localities and units who will want to learn from them. In this way, the whole national economy will continuously develop like a rolling wave and the people of various nationalities in the whole country can become affluent quicker."

However, there is another side to the coin. Under the conditions that market economy is practiced and some people and regions are allowed to become rich first, the danger of polarization and wealth differences among groups of people and regions definitely exists. Deng Xiaoping reminded the people to watch out for this kind of situation and prevent it from happening. He repeatedly pointed out: "The purpose of socialism is to have common affluence for the people in the whole country, not polarization. If our policy leads to polarization, then we fail; if some kind of a new bourgeoisie emerges, then we are really on the wrong road." This situation merits our vigilance.

1. Deng Xiaoping broke the "rule" which said socialism can only practice a planned economy and pointed out that the reform is a revolution aimed at replacing the planned economy system with a market economy system.

China has carried out many reforms since 1978 but the problem is that all these reforms failed to touch the root whereby planned economy used administrative means to arrange resources. All they did was to make large or small amendments to the basic framework of the original system and, therefore, the effects were not obvious. After the "Great Cultural Revolution," China faced a new choice. It involved questions on two levels. First, the question of whether China must reform its economic system. Second, the question of how the reform must be carried out. Must the reform follow the road taken by the other several reforms in the past and make improvements within the framework of the planned economy or must it strike out on a new path and open a new and different road from the traditional socialist economic system?

At that historic and crucial moment, Deng Xiaoping offered clear answers to these two questions. Regarding the first question, Deng Xiaoping's answer was: "Reform is the necessary road which China must follow to develop its productive forces. ... If we do not carry out reform, our modernization undertakings and socialist undertakings will be in ruins." Concerning the second question, Deng Xiaoping's answer was: "Reform ... is in essence a revolution," and "it is China's second revolution, even though it is not a revolution like the Great Cultural Revolution." Why did he conclude that reform is a revolution unlike the Great Cultural Revolution? Deng Xiaoping's 1982 speech, which contended that

"streamlining organization is a revolution" is a good footnote to this important conclusion. In that speech, he pointed out that "this is a revolution. Of course, this is not a revolution aimed at the people; this is a revolution aimed at the system." Precisely based on the above-mentioned ideas of Deng Xiaoping, the Third Plenary Session of the 12th CPC Central Committee's "Decision on Reforming the Economic System" stipulated the goal of reform as follows: "To completely change the economic system which restrains the development of productive forces" and "establish a vivid and vigorous socialist economic system with Chinese characteristics." This clearly pointed out that the traditional socialist economic system had restrained the development of the productive forces, therefore the reform could not just make some amendments to it but had to make fundamental changes to it.

The core problem of an economic system is what kind of means it bases itself on for arranging scarce economic resources. According to the traditional socialist economic theory, socialism can only practice a planned economy and this is viewed as a "fundamental principle" of Marxism.

Based on the experience in the practice of socialist construction in our country and on research into the economic development in the contemporary world, Deng Xiaoping courageously challenged this publicly recognized "fundamental principle."

In November 1979, during a discussion on a wide range of topics with Frank Gibney, vice chairman of the editorial board of the U.S. Encyclopedia Britannica, and his entourage, Deng Xiaoping clearly pointed out when speaking on the understanding of socialism among Chinese leaders: "It is definitely incorrect to say that the market economy is confined only to capitalist society and capitalist market economy. Why cannot socialism pursue a market economy?" "The market economy cannot belong exclusively to capitalism. Socialism can also pursue a market economy." What is noteworthy is that the method used by Deng Xiaoping when talking about this issue, as is mentioned in his later speeches, is to view both plan and market as methods for organizing the economy. Proceeding from the basic principle that socialism's aim is to develop the productive forces, he advocated that every effective means must be used to develop the social productive forces. Although Deng Xiaoping still followed the method of having the "planned economy as the mainstay" (which was a common way to phrase it) he broke through the framework whereby socialism can only use "market regulation" as a supplement and cannot accommodate "market economy," clearly negating the viewpoint that the market economy is confined to the domain of capitalism and pointing out that "socialism can also pursue a market economy." This is obviously an important breakthrough in theory.

Following this way of thinking, Deng Xiaoping's ideas continuously developed along with the gradual deepening of the reform in our country.

In October 1984, the Third Plenary Session of the 12th CPC Central Committee passed the "Decision on Reforming the Economic System," which established the new concept that the socialist economy "is a planned commodity economy on the basis of public ownership." That was a major breakthrough in the issue of China's socialist market economy system. Although at that time the term commodity economy was used following the language of Soviet textbooks, the "Decision" pointed out the major disadvantages of the old system, the duties of the reform, the basic contents of the reform, and the changes in planning, judging from all this the "commodity market" mentioned by the "Decision" was the market economy. Deng Xiaoping spoke highly of this decision. He said: This decision "formulated a preliminary draft of political economics and is political economics which integrates the fundamental principle of Marxism with the practice of socialism in China." He also praised it as "a good document."

A year later, when Deng Xiaoping talked to a delegation of American entrepreneurs, he once again reiterated his opinion on the need to use the market economy method which he mentioned in his 1979 speech. He pointed out that the crux of the problem was "what is the way to more vigorously develop social productive forces" and "there is no basic conflict between socialism and the market economy." Thus, in the political report tabled at the 13th party congress in 1987, in light of Deng Xiaoping's opinion, the issue of having the planned economy as the mainstay was no longer mentioned.

After the political storm in 1989, some articles written by theoreticians linked the issue of whether there should be planned economy or market economy to the basic social system, saying that it was an issue of whether we want to have "socialism" or "capitalism" as our surname. However, Deng Xiaoping was still sticking to his original idea. To him, be it a system or a policy, so long as it can help develop the productive forces in a socialist society, increase the comprehensive strength of a socialist country, and upgrade the people's living standards, we should not hesitate to adopt and implement it resolutely. For this reason, when he talked to several central leading comrades in December 1990, and to Shanghai's leading comrades in 1991, he pointed out sharply: "We must understand in terms of theory, that the difference between capitalism and socialism is not a problem of whether there is planning or market. Socialism also has a market economy, and capitalism also has plans and control." "Do not think that pursuing a bit of market economy is following the capitalist road; never such a thing. Both a plan and a market are needed. Not pursuing a market and not even knowing the information in the world, is to be content with backwardness." In early 1992, in his southern tour speeches, he offered systematic answers to the questions of whether the

market economy should be sustained "capitalism" and whether or not socialism can pursue a market economy as well as other relevant problems. These speeches of his laid a theoretical foundation for the historic breakthrough whereby the 14th party congress established the building of a socialist market economy system as the goal of economic reform in our country.

4. Deng Xiaoping has formulated, for the building of socialism with Chinese characteristics, the magnificent strategic goal of taking three steps to turn our country into a mid-level developed country by the middle of the next century and the guiding principle of being eager to make progress and cautious, paying attention to the quality of growth and promoting development with reform and opening up.

Deng Xiaoping has not only developed the theory on socialism and formulated correct policies for building socialism with Chinese characteristics but has also put forward a magnificent strategic goal in this respect.

While talking with Japanese Prime Minister Masayoshi Masayoshi at the end of 1979, on the threshold of the 1980's, Deng Xiaoping put forward the plan to strive to quadruple the GNP and to reach a level of $800 per capita GNP by the end of this century. Initiated by Deng Xiaoping, the CPC Central Committee formulated the strategic plan for the realization of modernization in three steps. The first step was to double the per capita GNP in the 1980's, that is, from $250 per capita in 1980 to $500 per capita in 1990. The second step was to double the GNP again by the end of this century to reach a relatively well-off level of $1,000. The third step is to quadruple the GNP again in 30 to 50 years and to reach an economic level close to the developed countries so that the people will lead relatively prosperous lives.

The goal stated in the above strategic plan is magnificent, Deng Xiaoping said. "To a developed country, this goal is not worth mentioning. However, to China, this is a lofty aspiration and a magnificent goal. What is more important is that on this basis, and with the development for another 30 to 50 years, we strive to get close to the level of the developed countries of the world."

Regarding how to realize a sustained, rapid, and healthy development, Deng Xiaoping gave a reply in his works. First, the goal of modernization should be realized, step by step. The goal of modernization cannot be attained in one go. That Deng Xiaoping put forward using 50 to 70 years to attain this goal in three steps shows his cautious attitude. Second, we should stress the quality of growth and should not one-sidedly seek growth in output. In formulating the 1981 to 1990 Long-Term Plan, Deng Xiaoping pointed out: "We should allow greater leeway for long-term plans, while high targets can be set for annual plans. Of course, we should also allow for unforeseen circumstances in the latter. We should attach importance to economic efficiency and should not one-sidedly seek growth in output and output value. In summing up historical experience, we have found that if targets or plans were set too high, we made rash advances. The lessons were profound."

Third, we should put the emphasis on reform and promote development with reform and opening up. While talking about the necessity for China's economy to "make a leap forward and jump to a higher level every several years" in August 1991, he emphatically pointed out: "Where should we put the emphasis? I think we had better put it on persisting in reform and opening up." "What we should pay special attention to, and what is fundamental, is that reform and opening up cannot be abandoned and only by persisting in reform and opening up can we seize opportunities to jump to a higher level."

5. "Pushing forward as a whole and making breakthroughs at key points" can give better expression to Deng Xiaoping's strategic idea. After achieving successes in rural reform and opening to the outside world, Deng Xiaoping put forward the task of seizing opportunities to speed up urban and overall reform and the tactical principle of "acting boldly and taking steady steps."

Regarding the reform in China, a popular viewpoint abroad holds that its characteristic and merit is "incrementalism." This viewpoint also has an extensive influence in our country. Among people who favor reform, many also think that the merit of the reform in China is that its speed is not too fast.

Does the viewpoint of the "theory of progressive reform" conform with the reality of the reform in China? Does it conform with Deng Xiaoping's strategic idea for the reform of the economic structure? Considering the situation and judging by common sense, it seems the answer can only be a negative one.

Viewed from the reality of the reform in China, the reform is really carried out progressively in the scope of the state-owned economy (including state-owned industrial and commercial enterprises, state banks, and state finance). However, this is not where the merit of the reform lies. The secret of the success of the reform in China lies in shifting the focus of reform to rural areas and to opening up to the outside world after the reform in state-owned sectors was impeded. To date, the achievements in reform in China are related to a great extent to this characteristic.

By adopting this strategy, we have solved problems which other socialist countries have not been able to solve in reform. Proceeding from the reality in China, we have found a new path. Instead of fixing our eyes only on the state-owned economy, we have maintained the operation of the state-owned economy. On the other hand, we put our major efforts into looking for new growth points in nonstate-owned sectors. This has enabled the entire reform to find new support points both economically and politically, leading to a sustained and rapid development of the national economy of our country and a more rapid growth in exports in the past 15 years. In the course of reform, we have also met problems such as

financial deficits, inflation, and chaotic economic order. However, by depending on the rapidly growing economic strength, we have overcome various factors of instability quite quickly, enabling the reforms to become an irreversible trend.

However, this tactic is not without its shortcomings. Prolonging this "guerrilla-style warfare" in particular, will cause many kinds problems. The economic system is a machine for disposing of resources. This machine has been divided into two halves. The old part is still in operation and occupies a leading position; the new part is incomplete although it has been established. If this situation is not changed, the new economic structure cannot be established as a system and the efficiency of the entire economy cannot be raised. In this way, many factors harmful to economic development and social stability will emerge. These mainly find expression in the fact that the overheated economy and the pressure of inflation constantly exist and problems often burst out; the coexistence of two kinds of structure has provided a very large foundation for generating corruption; the discrepancy in incomes between different localities, sectors, and social groups has tended to increase; and that the difficulties in the state-owned sector intermesh with each passing day.

How should we deal with this situation? Should we keep hanging about or should we continue to design the reforms of the state-owned sector?

In June 1984, Deng Xiaoping pointed out: After achievements are made in the reforms in rural areas, reforms should be moved from the rural areas to cities. The Third Plenary Session of the 12th CPC Central Committee held in October 1984 marked the beginning of the draft of this strategy. On 1 October, Deng Xiaoping presided over all the ceremonies to celebrate the 35th anniversary of the founding of the PRC. The major task at present is to carry out systematic reforms of the existing economic structure, which is impeding our progress. He then expounded the contents and meanings of comprehensive reforms in a series of meetings which followed. "Cities are more complicated than rural areas. They include industry, commerce, and service trades, as well as scientific, educational, culture and other fields. The major theme of the upcoming Third Plenary Session of the 12th CPC Central Committee is the reforms of cities and the entire economic structure. This means a situation of comprehensive reforms will emerge in China."

The Third Plenary Session of the 12th CPC Central Committee will [illegible] something very important in the historical development of China. The plenary session will have very [illegible] features. After the resolution from the plenary session is published, people will be able to see our [illegible] expectations in comprehensive reforms. In the [illegible] years from 1984 to 1990, Deng Xiaoping repeatedly commended on "Minds should be emancipated more and the pace of reforms and opening up should be quickened."

After the strategic guiding principle was fixed, Comrade Deng Xiaoping further put forward the tactical principle for carrying out comprehensive reforms. He said: "Our guiding principle is to act boldly and take steady steps. "To act boldly" means reforms in cities actually is reforms of the entire economic structure and great risks are to be taken. "To carry out comprehensive reforms of the economic structure needs courage. "Without reforms, there will be no sustained development in future. Therefore, it is necessary to establish [illegible]. "Taking steady steps" means the necessity of upholding the principle of "seeking truth from facts." Each step should be taken carefully and cautiously. We should be bold but cautious, sum up experience in good time, and make readjustments once problems are discovered to meet the needs of the actual situation.

In giving guidance to reform work from 1984 to 1991, two kinds of situation emerged. One was whereby confidence wavered when the situation became critical. The other was that there was a determination to carry out reforms but no proper arrangements for coordinating policies were made. For example, major reform measures were taken radily when the macroeconomic low reforms was not favorable, making it impossible to continue to tackle difficult problems in reforms. All this does not conform with the guiding principle put forward by Deng Xiaoping. As to Deng Xiaoping himself, he has always upheld the principle of "acting boldly and taking steady steps" under all circumstances and firmly promoted reforms. The 4th CPC National Congress put forward the concept of the socialist market economy. The Third Plenary Session of the 4th CPC Central Committee concentrated the formulation of a program after the nature of the 4th CPC National Congress and drew the blueprint for the socialist market economy. What is of great significance to our times is that the "Decision" made at the Third Plenary Session of the 4th CPC Central Committee points out that the guiding principle of "pushing forward as a whole and making breakthroughs at key points" should be implemented in reforms. The formulation can give better expression to the strategic ideas of Comrade Deng Xiaoping, as compared with "advancing progressively as a whole, making breakthroughs at key points," which we had often used in the past. Regarding the contents of reforms following the pioneer reforms with a relatively high cost for "urban and in a situation in which there are in the whole no restrictions on prices, plans for the reforms of the finance, taxation, banking, and foreign trade have been designed and the train of thought in enterprise reforms and reforms of the social security structure has become clearer and clearer.

This year, various kinds of reforms have been carried out for several months and there is an urgent need to sum them up, to see the shortcomings of the plans, to make readjustments and supplements in good time and to call for speeding up work in places where reforms is lagging behind. In short, we should work and strive hard to realize satisfactorily Comrade Deng Xiaoping's strategic

policy for reforming the economic structure and to ensure the new structure of the socialist economy can be established on a preliminarily way before 2000 so that we can totally shake off the troubles caused by various economic and social problems and can bring about a sustained, rapid, and healthy development over a long period in the future.

Central Bank Approves Establishment of 1st Private Bank

[HK 01/09/94 0:00 Beijing XINHUA in English 0146 GMT 31 Aug 94]

[Text] Beijing, September 1 (XINHUA)—A private bank will be set up in China soon, the first of its kind in the country.

The bank, with a number of domestic private firms as its shareholders, has won approval from the People's Bank of China (PBC), the central bank.

Ling Shuqeng, chairman of the All-China Federation of Industry and Commerce, said that the bank will not accept foreigners as its stock-holders, but it expects to absorb foreign funds in the form of trust management.

Ling said he expected the managerial capital of the bank to reach as high as two billion yuan (about [illegible] billion U.S. dollars).

It will conduct banking business as approved by the central bank but will not engage in speculative or risk-taking business, he said.

The establishment of the bank will be a significant experiment in China's banking reforms, Ling said.

Top 1,000 Enterprises in Economic Efficiency Selected

[HK 01/09/94 0:00 Beijing ZHONGGUO XINWEN SHE in English 1117 GMT 31 Aug 94]

[Text] Beijing, August 31 (CNS)—For the first time, China has selected 1,000 leading enterprises in terms of economic efficiency in its main cities. The Baoshan Iron and Steel (Holdings) Company has won the honour to top the list.

The China Statistical Information Consultancy Centre and the China Research Institute for Statistical Information Consultancy recently organized the activity of selecting 1,000 finest enterprises in economic efficiency in main cities in the country. The selection covered over [illegible] enterprises in extra-large cities, big cities as well as medium-sized cities with an annual gross domestic product (GDP) over RMB 10 billion (renminbi) across the country. The involved enterprises all are large and medium-sized industrial enterprises which earned over RMB 10 million profit and tax in 1993.

The top ten on the list are, in order: the Baoshan Iron and Steel (Holdings) Company, the Capital Iron and Steel Corporation, the Anshan Iron and Steel Corporation, the Wuhan Iron and Steel (Holdings) Company, the Kunming Cigarette Factory, the Benxi Iron and Steel Company, the Shanghai Cigarette Factory, the Shanghai Petrochemical Share-holding Company, the Rare-earth Company of the Baotou Iron and Steel Corporation, the China No. 1 Automobile (Holdings) Company, etc.

The selection result shows that, among the 1,000 leading firms selected from 61 main cities, 252 earned over RMB 100 million profit and tax, 19 over RMB 1 billion and [illegible] over RMB [illegible] billion. The Baoshan, Capital and Anshan companies respectively earned profits and taxes of RMB 5.82 billion, RMB 4.87 billion and RMB 4.55 billion, ranking the top three on list.

Among the 1,000 firms, Anshan Iron and Steel Corporation took the lead in sales income and net value of fixed assets by having RMB 18.95 billion. Baoshan Iron and Steel (Holdings) Company was far ahead of others for having a net value of RMB 22.44 billion in fixed assets.

Foodstuff Production Increases 'Steadily' This Year

[HK 30/08/94 0:00 Beijing XINHUA in English 0851 GMT 29 Aug 94]

[Text] Beijing, August 28 (XINHUA)—The production and supply of foodstuffs in major Chinese cities have increased steadily since the beginning of this year, along with growing varieties and amount of meat, egg and vegetables.

According to a survey of 44 major cities, [illegible] million tons of pork were produced in the first half of this year, an increase of 200,000 tons over the same period last year. Supply in these areas rose to a new high with an additional kilogram for every urban dweller on average, pushing the total per capita pork supply to 11 kg.

Meanwhile, [illegible] million tons of egg were produced, which represents an increase of 12 percent. The per capita egg supply increased by two kg to a total of eight kg in June. Egg prices rose by seven percent in the first six months of this year, a little lower than the rise of the general price index.

Also, the 44 cities produced 18.88 million tons of vegetables, a [illegible] percent increase over the same period last year. The quantity of fresh and high quality vegetables increased markedly, with the amount of delicate vegetables rising from [illegible] percent last year to 63.6 percent this year.

However, the State Statistical Bureau warned of the rising prices of pork, milk and vegetables in big and medium-sized cities. Experts from the bureau urged localities to establish macro-economic control so as to bring prices under control.

Alarming Situation in Trend of Investment

CHI:0109:0:1994 Beijing LENBIE 4 Domestic Service in Chinese 0747 GMT 29 Aug 94

[By reporter Zhang Youshong (1728 4930 0524)]

[Text] Beijing, 29 Aug (XINHUA)—An alarming situation has again emerged in the rising trend of investments in fixed assets nationwide. Fixed asset investments and newly launched projects increased sharply in July. Analyzing the situation, an authoritative department pointed out: The rising investment trend will bring more pressure to the already large scale of projects under construction. Therefore, it is necessary to promptly strengthen macroeconomic control and regulation over fixed asset investments.

According to statistics released by the State Statistical Bureau, as a result of macroeconomic control and regulation from January to early July this year, the increase of fixed asset investments nationwide dropped considerably, while newly launched projects decreased and the investment pattern continued to show improvement. However, since early July, demands for investments have increased sharply, with the monthly volume of fixed asset investments rising [illegible] percent as compared to that of last year, setting the highest monthly increase recorded for this year. Of this, the increase in capital construction was [illegible] percent, in upgrading of technology [illegible] percent, and in housing and real estate [illegible] percent.

The authoritative department analysis pointed out: The rise in high investments indicates the existence of remarkable pressure for investment, as well as a formidable task facing macroeconomic control and regulation in the remaining year. At present, particular attention should be paid to continue to control and regulate sources of capital as the primary measure in controlling the overall investment volume, and to resolutely investigate and punish those involved in unauthorized loans, illegal fund-raising, high interest rates for deposits and loans, and other behavior of disrupting financial order, so as to prevent the fixed asset investment scale from being overexpanded once again.

Statistics Show Economic Gap Broadening Between Regions

HK:0108:0:1994 Beijing ZHONGGUO XINWEN SHE in English 0804 GMT 31 Aug 94

[Text] Hong Kong, August 31 (CNS)—According to the latest information, local experts of China maintain that economic growth and the gap between different parts is continuously broadening. Generally speaking, economic growth in the east part of the country is faster than that in the central part, and growth in the central part faster than that in the west part.

The above-mentioned information is disclosed in the August issue of the China Latest Economic Bulletin, which has been published recently. Information contained in the Bulletin is provided by the State Statistical Bureau of China. China News Service Hong Kong Branch is the sole distributor of the bulletin.

The information shows the gross domestic product (GDP) in the country in the former half of the year increased by 11.6 percent more than the corresponding period of last year. GDP in 17 provinces have surpassed this level. They are: Zhejiang, Fujian, Jiangsu, Shandong, Guangdong, Jiangxi, Anhui, Hebei, Shanxi, Shaanxi, Guangxi, Henan, Shanghai, Hubei, Beijing, Tianjin, Hainan and Liaoning in the order of precedence. At the top of the list is Zhejiang Province, with an economic growth of 26.8 percent. Economic growth in Beijing, Tianjin and Shanghai are quite similar, about 13 percent to 14 percent. Provinces in the northwest and southwest show a relatively slow economic growth.

The "Experts Suggestions" column in the bulletin said that unstable factors still remained, though the overall situation of the national economy was normal. Special attention should be paid to the length of the macro-control retrenchment. Regulation of industrial enterprises should be put forward to meet market demand, and the anti-inflation policy should be implemented actively and steadily.

The bulletin, with graphs, charts, also gives a brief introduction to situations of industry, market development, balance of international payments, public finance, price, monetary and macroeconomic monitoring of the last month.

Customs States Intellectual Property Rights Measures

HK:0108:0:1994 Beijing ZHONGGUO XINWEN SHE in English 1209 GMT 31 Aug 94

[Text] Beijing, August 31 (CNS)—The General Administration of Customs will implement measures effective on September 15, which are aimed at protecting intellectual property rights, in the handling of procedures for import and export in accordance with the current state law and with the decision made by the State Council on strengthened protection of intellectual property rights, according to a notice issued by the Customs.

The notice stated that goods found committing violation of intellectual property rights, which cover "infringing of trademark, copyright and patent were not allowed to be imported or exported." Should goods suspected of infringing on [illegible] property rights be going to make entry or departure, the Customs would have to request both consignor and consignee to produce legitimate documents on intellectual property rights for these goods or to make supplementary declaration regarding intellectual property rights for these goods. Those item in the absence of legitimate documents will be rejected by the Customs for entry or departure. As for import and export of laser disc for audio or video purpose as well as import

of mould plate and component for such items in the processing trade, a consignor and a consignee has to produce a certificate issued by administrative department for audio-video products during the declaration at customs. Consignors and consignees failing to offer true information on intellectual property rights regarding their goods, those attempting to evade supervision by the Customs and those smuggling goods which are found to have infringed intellectual property rights will be dealt with by the Customs according to law.

The notice also covers rights and obligations for holders of intellectual property rights. It states that holders can report to the Customs and produce certificates for intellectual property rights including registration certificate, sample of copyrighted works and other necessary documents should they find import or export of goods which are suspected of being in violation of their intellectual property rights. They can ask the Customs for a check on those suspected items. The holders are obliged to offer evidence and assist investigation carried out by the Customs on goods suspected of infringing intellectual property rights while they have to pay charges for the appraisal of the goods and for the investigation as well as other relevant fees.

Product Stockpile Increase Cause Fund Shortages

OW 280816/0994 Beijing XINHUA in Domestic Service in Chinese 1056 GMT 27 Aug 94

[By reporter Zhang Yousheng [illegible] 28 AUG 94 [illegible]]

[Text] Beijing, 28 Aug (XINHUA)—The State Statistical Bureau's latest statistics show that at the end of June, funds tied up by finished goods in 380,000 economically independent industrial enterprises at and above the township level nationwide increased nearly 90 billion yuan from the beginning of this year, to a level above the 70 billion yuan or more normally tied up by product stockpiles. Authoritative sources noted: Serious stockpiles of industrial goods are one of the important reasons for enterprises' current worsening fund shortages. This matter warrants serious attention in all sectors.

According to an analysis of the 143 types of major industrial products in stock, the sales ratio for 91 to 95 percent or less, while the stockpiles of 101 types rose from levels at the beginning of the year. The stockpiles of 72 types climbed 20 percent or more, with the largest increase being 110 percent.

It is reported that before 1989 finished industrial goods nationwide were sold out in 30 days or so. The number of days rose to 45 and 50 in 1989 and 1990, respectively, before falling again in 1991 and 1992. Since last year, however, the number of days has hovered around 90 (computed on the basis of pre-1989 levels). 40 percent or so of current stockpiles are tying up funds in excess of normal level. The uneven expansion of production and consumption, the irrational industrial structure and product mix, and the unbalanced development of production and marketing are the direct causes of the stockpiles.

Authoritative sources in economic circles analyzed: Fund shortages and stockpiles in enterprises have fuelled a vicious circle. Since the beginning of this year, sluggish product sales have curtailed enterprises' ability to repay their debts. This has led to heavy debts among enterprises and fund shortages, which, in turn, have diminished enterprises' ability to pay for raw and semifinished materials. Consequently, funds tied up by products turned out by raw and semifinished materials manufacturers have increased with each passing day and compounded the fund shortages. Although the state has substantially increased short-term industrial loans, most of the funds have been tied down in the form of finished products. Moreover, imports in large quantities of products that can be produced domestically have also greatly affected domestic manufacturing enterprises. Take steel products for example. These imports in the first half of the year surpassed annual quotas, with 70 percent of them in excessive supply domestically. Similar problems exist to varying degrees with imports such as chemical fertilizer, oil products, and aluminum.

Construction Bank Cedes Financial Administration

HK1108041294 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 2057 GMT 28 Aug 94

[Text] Beijing, 28 Aug (ZHONGGUO TONGXUN SHE)—With the approval of the State Council, the Ministry of Finance obtained the agreement of the People's Construction Bank of China, through consultation, and decided to take back from the People's Construction Bank of China, effective 1 September 1994, the financial administration function the bank had been asked to exercise on behalf of the government. It has been learned that in the future, the Ministry of Finance will assign budgets and readjustment work to various departments and localities, will transfer budgetary quotas for capital construction and geological prospecting, and will be responsible for the allocation of funds. The ministry also will assign to state development banks and various departments in charge, the quotas of operational funds for capital construction. Regarding the former annual financial discount interest on capital construction loans of a policy nature, the People's Construction Bank of China will put forward opinions on discount interest, submit them to the Ministry of Finance and the State Planning Commission for examination and approval, and allocate discount interest funds on approval.

Financial rules and regulations for capital construction and geological prospecting, as well as for construction and real estate development enterprises, will be formulated by the Ministry of Finance. The annual financial final accounts for capital construction and geological

prospecting, and for construction and real estate development enterprises at the central level, also will be examined and approved by the Ministry of Finance. Accounts of funds allocated by the Ministry of Finance to various departments and organizations for capital construction will continue to be opened at the Construction Bank.

In order to do a good job in the supervision and management of state investment, the Ministry of Finance will continue to entrust the Construction Bank with the following financial work: Allocating funds for construction projects in accordance with the annual capital construction budget, the limits of fund allocations or operational fund quotas for capital construction of departments in charge which have been checked and ratified by the Ministry of Finance, and exercising supervision over the use of funds; examining the budgets and final accounts of projects, and participating in work to examine the budgetary estimates of construction projects and work related to inviting and submitting tenders, signing and putting forward opinions on the examination of the annual financial final accounts of construction projects, signing and putting forward opinions on the examination of changing fund allocations to loans, the exemption and transfer of principal and interest, the disposal of raw materials and equipment at reduced prices, and the reporting of projects as useless; urging organizations concerned to hand over income from capital construction, profits and taxes obtained during the period in which projects are completed and put into production ahead of schedule; and the balance of investment contracts.

Ministries Join To Promote Chemical Construction Materials

OW1108120394 Beijing ZHONGGUO GONGYEN SHE in English 1224 GMT 11 Sep 94

[Text] Beijing, August 31 (CNS)—A coordinating group was recently set up for promotion of application of chemical building materials by the 100 ministries of Construction, Ministry of Chemistry, China Light Industry Council, China State Bureau for Construction Materials and China National Petroleum and Chemical Corporation.

Chemical construction materials mainly include plastic products, construction paint, water-proof materials, thermal insulation materials, chemical additive for concrete and chemical adhesive agent for construction purposes. They are considered as another important batch of construction materials after wood, steel and cement.

China started its chemical construction materials industry in early 1980s. Its annual production capacity of resin raw material of plastics has reached 1.45 million tonnes and that of plastic pipes of various kinds 500,000 tonnes. Doors and window frames made of plastics are over [illegible] million square metres.

At present, rigid plastic drainage pipelines have been applied in over 20 provinces, autonomous regions and municipalities. Plastic window frames have been to date used in cold climate in the country's northern part. Consumption of new waterproof plastic materials has now reached 20 million square metres.

Compared with advanced countries, China has still fallen behind in this sector for its comparatively less assortments of products, low ability in supplementary usage and small range of application. China is predicted to have an annual completion of new buildings of 1.2 billion square metres in several years to come. At a meeting held here today on application of chemical construction materials, tasks of this industry have been fixed that plastic doors and window frames, new waterproof plastic materials and plastic pipes will respectively make up 15 percent, 20 percent and 30 percent of the country's market by the end of this century in order to meet the needs in this sector.

In addition, an exhibition of China's products of chemical construction materials and technology for their application will be staged next year in Beijing.

Supermarkets Have 'Greatest Potential' for Development

OW0109092594 Beijing XINHUA in English 0144 GMT 1 Sep 94

[Text] Beijing, September 1 (XINHUA)—Supermarkets have the greatest potential for development in the years to come in China among six different forms of retail business, ECONOMIC INFORMATION reported today.

Supermarkets, already thriving in major cities such as Beijing, Shanghai and Guangzhou, are expected to see faster development in another 100 cities this year, according to the newspaper.

The advantages in price and service of the supermarkets are becoming increasingly apparent to the Chinese consumers, it said.

Another fast-growing form will be the chain stores, which are considered to be cost-saving for the owners and easily recognized by customers.

Specialized shops will also be welcomed because of their steady supply of goods of the same category.

The "convenience stores" known for their flexibility in service time, are also expected to see accelerated development. This kind of shops, mostly privately run, have mushroomed in China in recent years.

Potential is also seen in shopping malls, which are already thriving in many downtown streets, near railways and bus stations, and even in the underground pedestrian crossings.

The last form will be "shopless" sales, i.e. direct and mail order sales, and vending machines.

Basic Farmland Protection Regulations

OW 0808122594 Beijing XINHUA Domestic Service in Chinese 0129 GMT 27 Aug 94

["Basic Farmland Protection Regulations"]

[Text] Beijing, 27 Aug (XINHUA)—**Chapter I. General Rules**

Article 1: These regulations are formulated on the basis of the provisions contained in the "Agriculture Law of the PRC" and the "Land Management Law of the PRC" to provide special protection for basic farmland and to promote agricultural production as well as national economic development.

Article 2: The basic farmland mentioned in these regulations refers to arable land whose long-term occupation is prohibited according to the estimated demands by population and the national economy for agricultural products and according to estimates regarding land for construction purposes. It also refers to arable land whose occupation is prohibited during the planning period of basic farmland protection areas.

The basic farmland protection areas mentioned in these regulations refer to the areas delimited in accordance with legal procedures for the purpose of providing special protection for basic farmland.

Article 3: These regulations apply to the delimitation, protection, supervision, and management of basic farmland areas under protection. The "Land Management Law of the PRC" and other relevant laws and regulations shall apply where delimitation, protection, supervision, management, and so forth are not covered by the provisions of these regulations.

Article 4: The principles—overall planning, rational exploitation, combining land use with land conservation, and strict management—shall be implemented for the protection of basic farmland.

Article 5: The people's governments at and above the county level should incorporate basic farmland protection into their economic and social development programs as an important aspect of the systems under which government leaders are held responsible for the attainment of certain objectives during their tenures and implement it under the supervision of the people's government at the next higher level.

Article 6: All units and individuals have the obligation to protect basic farmland and the right to report seizure or destruction of basic farmland and other activities in violation of these regulations to the authorities and file charges in court against such offenders.

Article 7: The State Council's land management department and agricultural administrative department shall divide up the work and take responsibility for the administration of basic farmland protection nationwide according to these regulations and the provisions laid down by the State Council.

Land management departments and agricultural administrative departments of the people's governments at and above the county level shall divide up the work and take responsibility for the administration of basic farmland protection in their respective administrative divisions according to these regulations and the provisions laid down by the people's governments at their respective levels.

The people's governments at the township level shall be responsible for the administration of basic farmland protection in their respective administrative divisions.

Article 8: The state will give awards to the units and individuals that have scored marked achievements in protecting basic farmland.

Chapter II. Delimitation

Article 9: The State Council's land management department and agricultural administrative department should work with other relevant departments to draw up a plan for basic farmland protection areas nationwide and submit it to the State Council for approval.

Land management departments of the people's governments at and above the county level and the agricultural administrative departments at the same levels as such land management departments should work with other relevant departments to draw up plans for basic farmland protection areas in their respective administrative divisions on the basis of the plans for basic farmland protection areas drawn up by the people's governments at the higher level and, after they are examined and approved by the people's governments at their respective levels, submit them to the people's governments at the higher level for approval.

People's governments at the township level should draw up plans for basic farmland protection areas for their respective administrative divisions on the basis of the plans for basic farmland protection areas drawn up by the people's governments at the county level and submit them to the people's governments at the county level for approval.

In case a plan for basic farmland protection areas which has been approved needs to be readjusted, such a readjustment must be approved by the original organ that examined and approved it.

Article 10: A plan for basic farmland protection areas should be based on the overall planning for land use and the division of agricultural resources into districts on the basis of surveys, and it should also be made in coordination with city planning and construction planning for villages and towns.

Article 11. When drawing up plans for basic farmland protection areas, people's governments at all levels should determine the quotas and layouts for the basic farmland to be protected and separately transmit them to each of the lower levels.

Article 12. The following arable land should, in principle, be included in basic farmland protection areas:

(1) The bases approved and determined by the State Council's relevant departments and by the people's governments at and above the county level for the production of grains, cotton, oil-bearing crops, and brand-name, high-quality, special, and new agricultural products.

(2) Farmland with steady and high yield, arable land with good water conservancy facilities and with good water and soil conservation facilities, and farmland with medium or low yield which have been transformed or are undergoing transformation.

(3) Vegetable production bases in large and medium cities, and

(4) Farmland for agricultural scientific research and teaching experiments.

Article 13. The arable land incorporated into basic farmland protection areas is divided into two classes:

(1) Arable land with good production conditions, high yields, and is not allowed to be occupied for a long period of time is classified as the first-class basic farmland.

(2) Arable land with fairly good production conditions, fairly high yields, and is not allowed to be occupied during the term of planning is classified as second-class basic farmland.

Article 14. The delimitation of basic farmland protection areas is jointly organized and conducted, with township (town) as the unit, by land management departments of county people's governments and administrative departments in charge of agriculture at the same level.

When a basic farmland protection area is delimited, the county people's government should erect a sign for the area and make an announcement, whereas the land management department of the county people's government should create a file for the area and give the administrative department in charge of agriculture at the same level a copy. No unit or individual is allowed to sabotage or make unauthorized alterations on the signs for basic farmland protection areas.

People's governments one level higher than county people's governments should arrange the inspection and acceptance of basic farmland protection areas after their delimitation.

Article 15. In delimiting basic farmland protection areas, original contractor's operating rights are not allowed to be altered without authorization.

Article 16. Land management departments and administrative departments in charge of agriculture under the State Council are responsible for formulating technical rules on delimiting basic farmland protection areas.

Chapter III. Protection

Article 17. Once a basic farmland protection area is delimited, no unit or individual is allowed to alter or occupy it without authorization. When the sites of the state's energy, transport, water conservancy, and other key construction projects really cannot avoid using basic farmland protection areas and have to occupy the arable land within the areas, an application should be filed with the land management department of a people's government at or above the county level, according to the procedures and jurisdiction of examination and approval stipulated in the "Land Management Law of the PRC" and, together with signed opinions by a same-level administrative department in charge of agriculture, submitted to a people's government at or above the county level for approval.

If the aforementioned construction projects should occupy less than 500 mu of first-class basic farmland, it should be reported to provincial, autonomous regional, or municipal people's governments for approval, and to the State Council if over 500 mu.

Article 18. In establishing a development zone, the use of arable land within basic farmland protection areas is prohibited. If special conditions prove that the occupation of such land is necessary, the unit concerned should attach opinions of the land management department and administrative department in charge of agriculture of a people's government at or above the provincial level to its application for setting up the development zone.

Article 19. When a nonagricultural construction project is allowed to use the arable land within a basic farmland protection area, land-using units or individuals should pay taxes and charges as stipulated in the "Land Management Law of the PRC" and relevant administrative decrees as well as cultivate a tract of land corresponding to that of the land being taken in terms of acreage and quality according to the principle of "cultivating as much as you occupy." Where the land is not suitable for cultivation or the land is not cultivated to the required level, the land-using units or individuals should pay or reimburse in full the expenses for developing the occupied basic farmland protection areas to the departments designated by provincial, autonomous regional, and municipal people's governments, according to the provincial, autonomous regional, and municipal regulations. Land users are exempt from paying the expenses for developing the occupied arable land in basic farmland protection areas if they have paid to the funds for developing new vegetable plots, according to relevant state rules, for occupying vegetable plots within basic farmland protection areas. With the State Council's approval, medium- and large-sized construction projects of the energy, transport, water conservancy, and national

defense industries launch invested by the state are exempt from paying the expenses for developing arable land or basic farmland protection areas.

The funds collected for land development must be specifically used to opening up and constructing new basic farmland and improving medium- and low-yield farmland.

The cultivation and construction of new basic farmland and the transformation of medium and low-yield farmland shall be organized by the departments designated by the people's governments at and above the county level.

Article 20: The building of kilns, houses, and graves is not permitted in basic farmland protection areas, neither is unauthorized gravel excavation, quarrying, mining, soil collection, or piling up solid waste permitted on such areas.

It is prohibited to change the arable land in basic farmland protection areas to nonarable land without authorization.

Article 21: All units and individuals are prohibited from letting arable land in basic farmland protection areas lie idle or become wasteland. If development zones and arable land in the basic farmland protection areas occupied for nonagricultural construction are not used within a year after the completion of their examination and approval procedures, and it is possible to cultivate them and reap a harvest from them, the collectives or individuals that used to cultivate them should continue their cultivation. Construction units are also permitted to organize their cultivation. According to provincial, autonomous regional, and municipal provisions, fees should be collected from those who fail to start construction more than one year after they have completed examination and approval procedures for letting such land lie idle. If such land is not used for two successive years without the consent of the original organs that granted approval, the land management department of the people's government at the county level shall take back the land-use right from the land-using units and revoke their land-use certificates after having reported such cases to the people's governments at the same level and obtained its approval. If an individual who has obtained a contract for farming and managing a plot of arable land in basic farmland protection areas abandons farming and lays the plot waste, rural collective economic organizations shall take back his or her contracted right to farm and manage the land.

Article 22: The units and individuals who use basic farmland for agricultural production should maintain and foster soil fertility. The state encourages agricultural producers to spread organic manure over the basic farmland under their management and to rationally apply chemical fertilizers and pesticide to such land.

Article 23: The people's governments at the county level should draw up measures for the classification of soil fertility of the arable land in basic farmland protection areas in light of actual local conditions and have agricultural administrative departments work with land management departments to organize their implementation. They should classify soil fertility of the arable land in the basic farmland protection areas and establish files on soil fertility.

Article 24: Rural collective economic organizations or villagers' committees should approve the classification of soil fertility of the arable land in basic farmland protection areas at regular intervals or where the contracted right for managing such land changes hands.

Article 25: Agricultural administrative departments of the people's governments at and above the county level should gradually establish a network of stations at fixed locations for monitoring soil fertility and the benefit from the application of fertilizers on arable land in basic farmland protection areas over a protracted period of time; they should regularly submit reports on the situation of the change in soil fertility of the arable land in the areas under protection and on appropriate measures for protecting soil fertility to the people's governments at the same level; and they should provide fertilizer application guidance to and service for agricultural producers.

Article 26: Agricultural administrative departments of the people's governments at and above the county level should work with environmental protection administrative departments at the same level to monitor and assess environmental pollution on the arable land in basic farmland protection areas and submit reports on the environmental quality and trends of development to the people's governments at the same level at regular intervals.

Article 27: If the arable land in basic farmland protection areas must be used to carry out construction of key state projects under special circumstances, state regulations governing the administration of environmental protection related to construction projects must be observed. Reports on construction projects' impact on the environment should include a plan for environmental protection on basic farmland; when examining and approving such a plan, environmental protection administrative departments should obtain the consent of agricultural administrative departments at the same level.

Article 28: The fertilizers, and city garbage and sludge which are intended for use as fertilizers to be supplied to basic farmland protection areas must meet the relevant standards set by the state.

Article 29: If the environment of the basic farmland has been or may possibly be polluted due to the occurrence of accidents or other contingencies, the parts concerned must immediately take measures to deal with it, report it to the rural environmental protection and agricultural administrative departments, and accept investigation and punishment.

Chapter IV. Supervision and Management

Article 30. Local people's governments at and above the county level in places where basic farmland protection areas are constructed shall sign basic farmland protection responsibility documents with people's governments at levels immediately below them. Township-level people's governments shall sign similar documents with rural collective economic organizations or villagers' committees.

A basic farmland protection responsibility agreement shall include the following information:

(1) The scope and area of basic farmland and the plot to be used as such;
(2) The grade of basic farmland;
(3) Protection measures;
(4) The rights and obligations of interested parties; and
(5) Awards and penalties.

A farm work contract shall specify the responsibilities of the contracting peasant household and specialized team (group) for protecting basic farmland.

Article 31. People's governments at and above the county level shall institute a system for supervising and inspecting basic farmland protection areas. They shall regularly organize land management departments, agricultural administrative departments, and other relevant departments to ascertain the status of basic farmland protection and submit written reports on their findings to people's governments at the next higher level. Units and individuals so inspected shall provide relevant information and data truthfully, and shall not refuse to do so.

Article 32. The land management and agricultural administrative departments of local people's governments at and above the county level have the right to mandate corrective actions for activities that destroy arable land in basic farmland protection areas within their administrative divisions.

Chapter V. Penalty Clauses

Article 33. Punishment shall be meted out in accordance with the relevant provisions in the "Land Management Law of the People's Republic" for any of the following actions in violation of these regulations:

(1) Illegally occupying arable land in basic farmland protection areas without approval or with approval obtained through fraudulent means;

(2) Illegally approving the occupation of arable land by units or individuals not authorized to approve the occupation and use of arable land in basic farmland protection areas;

(3) Overstepping the limits of authority for approval to illegally approve the occupation of arable land in basic farmland protection areas; and

(4) Buying, selling, or illegally transferring by other means arable land in basic farmland protection areas.

Article 34. Land management departments or agricultural administrative departments authorized by them shall mandate the restoration of the former status in the event the targets of protection in basic farmland protection areas are destroyed or altered without authorization in contravention of these regulations.

Article 35. Remedial actions within a certain period shall be mandated in accordance with the "Land Management Law of the People's Republic of China" in the event planting conditions in basic farmland are seriously destroyed in violation of these regulations, such as the construction of kilns, houses, and tombs, or the unauthorized excavation of gravel, quarrying, mining, and soil collection. A fine not more than 15 yuan for each square meter of destroyed arable land may also be imposed.

Article 36. Where units illegally take land improvement fees or fees for selling arable land in basic farmland protection areas, the relevant departments of local people's governments at and above the county level designated by provincial, autonomous regional, and municipal people's governments shall order the return of money. They may also impose fines not more than three times the amount of the illegally taken money. Persons in charge and others who are directly responsible shall be disciplined by their work units or higher organs. Individuals who illegally take the fees shall be dealt with on corruption grounds.

Article 37. The agricultural administrative departments of local people's governments at and above the county level shall issue warnings to or impose fines on people who supply fertilizers or use garbage and sludge intended as fertilizers, which are not up to relevant state standards, for basic farmland.

Chapter VI. Supplementary Provisions

Article 38. Provincial, autonomous regional, and municipal people's governments may mark off other farm production land as protected areas in light of local realities. Such land may be protected and managed in accordance with these regulations.

Article 39. Provincial, autonomous regional, and municipal people's governments may formulate implementation rules in accordance with these regulations.

Article 40. These regulations shall take effect on 1 October 1994.

Beijing To Expand Overseas Electronics Publishing Business

HK0109080094 Beijing XINHUA in English 0847 GMT 1 Sep 94

[Text] Beijing, September 1 (XINHUA)—The Founder Group Corp, the world's largest manufacturer of Chinese-language electronic publishing systems, is striving to expand its overseas business with its advanced products.

At the first Beijing International Exhibition of Electronic Publishing Systems which opened yesterday, the Founder Corporation displays its newly-developed color electronic publishing system.

Researchers said that the founder color electronic publishing system will not only bring about a "color revolution" in the Chinese character printing business, but will also take a hold on the highly competitive international market as the system is capable of doing the word-processing job for several different languages.

As one of the largest electronic enterprises in China, the founder corporation has sold 15,000 sets of electronic publishing systems at home and abroad. Last year its sales volume reached more than 900 million yuan.

"Ninety-nine percent of Chinese newspapers and 90 percent of Chinese publishing houses are now using the founder publishing system," said academician Wang Xuan, designer of the Founder Publishing System, director of the Computer Institute of Beijing University.

Most of the Chinese-language newspapers in Hong Kong, Macao, Malaysia, the United States, Canada, France, Brazil, Indonesia, Thailand and the Philippines have started to use the founder publishing system.

"The next step will be to enter the non-Chinese language publishing market abroad and strive to be one of the major suppliers of electronic publishing systems," the academician said.

Seminar on Quality Management of Large Enterprises Held

HK1708084594 Beijing XINHUA in English 0847 GMT 29 Aug 94

[Text] Beijing, August 29 (XINHUA)—A five-day seminar on quality control for China's large enterprises opened here today.

Co-sponsored by the China International Economic and Technological Exchanges Center (CETEC) and the United Nations Development Program (UNDP), the seminar is part of the UNDP's aid plan for China's large enterprises.

More than 60 experts and business executives attended the seminar.

The plan, named "Large Enterprises Reform Program", aims to invigorate large and medium-sized enterprises in China by helping them improve their management, according to a CETEC official.

Twenty enterprises in Heilongjiang and Liaoning Provinces and Shanghai Municipality were chosen to try out this aid program.

China has more than [illegible] large and medium-sized state-owned enterprises, accounting for [illegible] percent of its total industrial enterprises.

The output value of these enterprises accounts for 52 percent of China's total.

State To Tighten Control of Cotton Supplies

HK1608004594 Beijing CHINA DAILY in English 60 Aug 94 p 1

[By Duan Tao: "State Set To Tighten Grip Over Cotton Production"]

[Text] The central government is to tighten its grip over the nation's cotton supply, Vice-Premier Li Lanqing told a national conference on cotton in Beijing yesterday.

Cotton is one of the most important agricultural products in the country. And the textile industry is the nation's biggest earner of foreign currency, he said.

"Private companies or private peddlers found [illegible] buy without State Council authorization will [illegible] ed," he warned.

"[illegible] wholesale markets set up by localities will be [illegible]."

And a State Council order starting this year rules that the price of cotton is raised to 900 yuan ($98.2) per 50 kilograms.

Li said the move had been taken to encourage farmers to grow more highquality cotton, "a key strategic material which has a bearing on China's overall national economy."

The State Council has the right to set a price for cotton. Government ministries and local governments are forbidden to issue policies which run counter to the spirit of the central government, Li said.

Market irregularities within the cotton trade will face severer "macrocontrol," he said.

"I hope different departments and localities will follow central government in both ideology and action," the vice-premier said.

The conference is seen as the main forum from which the central government can strengthen management of the chaotic cotton market before the autumn harvest.

"We cannot open the cotton market at this stage as the supply lags far behind demand," the vice-premier said.

Short supply has led many profiteers and speculators to sell low-quality cotton to State factories concealing stones and bricks.

Li urged State technology inspectors together with police departments to carry out regular checks of the market and discipline those who dare offend the central government order.

Only State-authorized local commodity collectors, known as co-ops, are allowed to purchase, process and sell cotton, the conference was told.

Even the textile enterprises are not permitted to sell their wares.

The vice-premier also called for increased efforts to perfect the country's cotton reserves and guarantee a steady supply to the nation's major textile plants.

He urged farmers to grow more cotton and make use of the high-tech skills available.

Top officials from 21 provinces and autonomous regions participated in the meeting.

Major Afforestation Projects Make Progress

HK1108104194 Beijing XINHUA in English 1036 GMT 11 Aug 96

[Text] Beijing, August 11 (XINHUA)—Much progress has been made in China's seven major afforestation projects aimed at controlling water loss, soil erosion and desertification, according to Yu Youfang, minister of forestry.

The projects cover [illegible] million square kilometers or 60 percent of China's total land area. They include the north China's shelterbelt known as Green Great Wall, the shelterbelt along the upper and middle reaches of the Chang Jiang river, afforestation projects along southeast coastal areas, major plains, the Taihang Mountain area as well as projects of fast-growing timber production and desert control.

The north China shelterbelt covers 42.3 percent of the land area in north, northeast and northwest China, spanning [illegible] kilometers. Construction of the project has entered the second phase.

The project has raised forest coverage from [illegible] percent in 1978 when the construction started to the current 8.6 percent, bringing soil erosion and desertification on a large area under control. The effort has also served to increase grain output by [illegible] to 30 percent and grain output by over 70 percent in the project areas.

The Chang Jiang river shelterbelt, another major greening project, is also underway in 200 counties of provinces. Six billion yuan of investment has been poured into the project and about 4.48 million hectares of trees have been planted along the river.

In southeast China's coastal areas, another greening project is under construction with the aim of planting trees on a [illegible] kilometer area by the year 2010. Now work on [illegible] kilometers of coastline has been initiated.

In north, northeast and central China's plain areas, work is full steam ahead with afforestation in [illegible] counties. The project has caught the attention of the international community as coverage inspection teams from [illegible] countries and regions have visited the project since it was initiated.

As one of the global environmental protection projects which has been listed in China's Agenda 21, the Taihang Mountain greening project has started in over 100 counties in Shanxi, Hebei, Beijing and Henan. The aim is to raise the area's forest cover from 15.3 percent to 43.6 percent in the upcoming eight years.

China plans to improve 670,000 hectares of sand-affected land within ten years, according to Yu. By now [illegible] million hectares of such land has been harnessed.

Besides, China has planted 1.1 million hectares of fast-growing and high-yielding timber forest in 16 southern provinces. A project with 300 million U.S. dollar loan from the World Bank and 200 million U.S. dollars from the domestic institutions, has been completed. Recently, the world bank has decided to provide another 200 million U.S. dollar loan for the construction of a "forest resources development and protection project."

"It is not easy for China to house the forest resources where those in the whole world are dwindling," said Yu Youfang.

The minister attributed the historical changes to China's forest industry to the enhanced awareness by the central and local governments in afforestation.

He said China has built a complete system in the construction of ecological projects and comprehensive forest industrial system which integrates afforestation, bio-diversity protection, desert control, forest production and diversified economic development.

China has built 4,200 state-run forest farms, [illegible] nurseries of young plants, 901 nature reserves of wild animals and plants and 111 national forest parks.

Over the recent decade, China's afforestation has been growing at a rate of [illegible] million hectares annually. Besides, China plants new trees on [illegible] million hectares of hills by erasing up the hillsides to facilitate afforestation and plants another [illegible] billion new trees a year.

At present, China houses 11 million hectares of artificially planted forest, leading the world in forest growth and increased amount.

Work in years to follow, China has planned seven to aerial seedings in 20 million hectares of land areas. By now, [illegible] million hectares of trees sown by aerial seeding are growing well, according to the Ministry of Forestry.

Despite the great achievements China has made in afforestation, the minister admitted, it can still not meet the needs of the national economic growth and environmental protection.

Yu said China is faced with three major contradictions in forest construction. Currently, he said, China has 30 million hectares of forest. However, another 130 million hectares of land are still available for afforestation which will cost a considerable sum of money from China's tight budget.

Meanwhile, China is a large country with a population of 1.2 billion. Its per capita standing stock is only ten cubic meters, still one of the least or lowest reserve. With the rapid economic development, contradictions between timber demand and supply will loom larger, he said.

"The awareness of environmental protection has been greatly enhanced in the international community since the environment conference in Stockholm 20 years ago in which the role of forestry in environmental protection became the focus of special attention," said Xu Youfang.

He said China will make best use of the upcoming seven remaining years of this century to bring its forest production to a new high.

Chang Jiang Water Level Lowest in Flood Period

HK 11/08/13/1994 Beijing XINHUA in English 16:40 GMT 11 Aug 94

[Text] Beijing, August 11 (XINHUA)—The water level of the Chang Jiang river is at its lowest point but experts warn that a major flood may occur in the near future.

Since July this year, when the mainstream of Chang Jiang went into flood, the water level has been the lowest for a century, since the water level was firstly recorded in 1892.

Statistics from the Chang Jiang River Administration show that the water level at Chongqing in Sichuan Province is 6.62 m lower than in 1968, which was itself a record low year.

At the Gezhouba Hydro Dam on the river the water flow is less than 20,000 cu m per second, only half the amount in the same period of last year. This has caused a drop in the electricity generated there from 60 million kwh to 50 million kwh.

Hydrologists attribute the low water level to reduced rainfall in the upstream areas of the river. In the area around Chongqing, the amount of rainfall from May to July was only half of the average in the same period of previous years.

The danger is that the long period of little rain may be followed by intensive rainfall in the near future.

According to the Chongqing Hydrographic Station under the Chang Jiang River Administration, the rainfall and water conditions on Chang Jiang river this year are surprisingly similar to those in 1981, when major floods occurred.

East Region

Anhui Governor Chairs Meeting on Price Rises

CW0109150941 Hefei Anhui People's Radio Network in Mandarin 1100 GMT 29 Aug 94

[From the "Provincial Hookup" program]

[Text] Drastic price increases have been a serious problem in Anhui's economic life since the beginning of this year. Prices of major consumer goods, such as grain, edible oil, meat, and vegetables, have risen sharply. To facilitate the smooth implementation and continuous perfection of various reform measures and to create a favorable macroeconomic environment for economic growth and social stability, Governor Fu Xuehou chaired a work meeting of the provincial government on the afternoon of 27 August, during which it was decided that resolute measures be taken to further curb price increases.

The meeting urged governments at all levels to fully recognize the severity of the current price situation and to make price stabilization the priority of their work. It is necessary to continue to implement the target responsibility system for controlling the overall price index, and to intensify efforts and pay particular attention to bringing prices of grain, edible oil, meat, vegetables, and other daily necessities under control. Efforts must be made to bring about a noticeable and gradual decrease in price rises beginning from September. The provincial government will publish price indices of all prefectures and cities, and will make price control efforts a major criterion for evaluating local governments' performance in the second half of this year. It is necessary to resolutely implement the State Council's decision banning price readjustment in the second half of the year. No local price increase and administrative fee hike should be allowed.

In conjunction with the relevant economic policies, all localities must not carry out any policy measure which may trigger price rises, so as to keep market prices to basically remain stable. It is necessary to increase effective supply to maintain the relative stability of prices of people's daily necessities. It is also necessary to go all out to do a good job in agricultural production and in the vegetable basket project, actively organizing supply of goods and stepping up procurement and transportation to increase reserves and market supply. To ensure supply of goods, state enterprises should replenish stocks with goods so as to increase effective supply and bring into full play their role as the main channels for obtaining and storing goods, thereby adjusting market supply and demand. It is necessary to make early preparations to ensure market supply of goods for the Mid-Autumn Festival and the National Day. It is also necessary to make arrangements for hog and pork reserves needed for this summer and next spring. Wholesalers and farmers' trade markets in various localities should provide favorable conditions for wholesalers and retailers of farm and subsidiary products. State enterprises should strictly abide by the relevant state regulation and step up price supervision over their respective trades.

It is necessary to further strengthen supervision and inspection of prices. Vigorous efforts must be made to consolidate the price order and to improve the supervision of prices and fees. It is necessary to dispatch personnel during a concentrated period of time to conduct inspections of prices of selected daily necessities, such as grain, edible oil, and major nonstaple foods, which have a relatively large impact on the overall price index; prices of major means of productions, such as chemical fertilizers, rural electricity, rolled steel, oil products; prices of goods for lighting droughts and helping drought victims, and some service fees which are strongly criticized by the masses. It is necessary to resolutely investigate and punish profiteering, driving up prices, monopolizing, seeking exorbitant profits, and price frauds, and to publish names of lawbreakers in the press.

It is necessary to continue to implement the system of selling goods at marked prices to effectively strengthen supervision and examination of prices of basic daily necessities and service fees, to strictly enforce the system of applying for and reporting price hikes, and draw up and publish price ranges and price ceilings of major commodities, especially major nonstaple foods. The provincial government will formulate and promulgate interim provisions for fighting profiteering. All localities should start to draw up market price control regulations in the light of the actual conditions in each locality, so as to strengthen and perfect regulation and control of market prices.

This afternoon, the provincial government called a provincial telephone conference to further work out arrangements for controlling prices. Later on, it will organize price inspection teams to visit various prefectures and cities to inspect the enforcement of measures to curb price rises.

Fujian Becomes China's Biggest Eel Producer

CW0110013594 Beijing XINHUA in English 1612 GMT 11 Aug 94

[Text] Fuzhou, August 11 (XINHUA) -- The east China's coastal Province of Fujian has become the country's largest fresh water eel producer.

Statistics show that by late this year, the eel cultivating acreage in the province had topped [illegible] ha. The total output for the year is estimated at more than [illegible] tons.

The eel breeding industry, just started in early 1980s, has become one of the mainstay regional industries in coastal areas such as Putian and Fuqing counties.

To date fresh water eel has become one of Fujian's staple exports and hard currency earners, with annual export volume exceeding [illegible] million U.S. dollars.

Jiangsu Plans To Build Wood Market

[illegible] Beijing LINMIN [illegible] 1 Sep 94

[Text] Beijing, August [illegible] (XINHUA)—With the approval of the Ministry of Internal Trade, a large wood market [illegible] the south of Kunshan city of east China's Jiangsu Province.

According [illegible] CHINA INFORMATION [illegible] the market, which will be south-funded by the Ministry of Internal Trade and Jiangsu provincial government, will cover an area of [illegible] sq m. The first phase construction will cost [illegible] million yuan and will finish by the end of October.

Transactions at the market are expected to reach one million yuan [illegible] said the newspaper.

Kunshan [illegible] the Yangtze Delta lake and not [illegible] Shanghai, has now grown into a leading base for processing and marketing raw materials for the textile industry [illegible] and an important distribution [illegible].

[illegible] of factories and enterprises [illegible] their representatives to Kunshan [illegible] the cooperation [illegible] the market.

Jiangsu Farmers Witness Growth in Average Income

[illegible] XINHUA [illegible]—Farmers in Jiangsu [illegible] a double-digit growth [illegible] during the first half of [illegible].

[illegible] Province said today that the average [illegible] reached 1991.4 yuan [illegible] during the six months, [illegible] 14 [illegible] the same period of last year.

The growth [illegible] the highest in the past four years.

[illegible] the growth in agricultural [illegible] with the development of rural [illegible].

[illegible] from sales of agricultural [illegible] in the first half of this [illegible] working in rural enterprises [illegible].

Three Executed in Shandong for Murder, Robbery

[illegible] Beijing Rural [illegible] 1 Sep 94

[illegible] Deputy Manager

[Text] Deputy Manager Dong Shiming of "Dongbaoxi Fourth Company" Zaozhuang City, Shandong, hired a killer, Lu Baoyuan, and offered [illegible] yuan to hounds Manager Zhang Zaozhuo to death. The judicial departments recently executed these two criminals according to law. Another criminal Sun Chaoqian, who used drugs to unsuspecting victims to rob them of their money and belongings, was also executed according to law in Zaozhuang City recently.

Shandong Holds Forum of Bank Presidents on Banking Work

[illegible] Jinan Shandong People's Radio Network in Mandarin [illegible] 1 Sep 94

[Text] It was learned at the provincial forum of city and prefectural people's bank presidents that during the next few months of this year the central task of the province's banking work is to check inflation. The provincial banking organs will also undergo great changes.

Since the beginning of this year, our province's banking operational trend has been good. As of the end of July, the savings deposits of various descriptions across the province had reached [illegible] billion yuan, an increase of 19.[illegible] billion yuan over the figure of the early period of this year. The big increase figures were partly used for fixed assets.

During the next few months of this year, our province's banking work should be focused on strictly supervising and controlling the use of the total amount of money in an effort to guarantee the fulfillment of macroeconomic regulation and control target. Banks at all levels must not exceed the assigned loaning scale. During the second half of this year, the people's banks will review and verify the fixed asset loans, and will strictly investigate and check the situation of above-quota loans in the newly appearing above-quota loans for fixed asset investment. It is necessary to complete the screening of banking organs that overstep their power in examine and approve the granting of loans prior to the end of September. People's banks at all levels must also take active and reliable steps to conduct reform of the banking system, and special banks should change their operational mechanisms in accordance with the general rules of special banks. While doing a good job in establishing cooperative banks in Yexian and Qingdao cities, it is also necessary to create conditions and actively strive for establishing cooperative banks in Weifang, Zibo, and Yantai cities. The provincial agricultural development bank should be established prior to the end of this year. We should exert efforts to organize the work in the people's insurance company and the life insurance company.

Shandong Press Publication Work Conference Ends

[illegible] Jinan Shandong People's Radio Network in Mandarin [illegible] 1 Sep 94

[Text] The provincial newspapers and periodicals on public good work conference organized by the provincial

department of the provincial party committee, the provincial post and telecommunications management bureau, and DAZHONG RIBAO) ended in Jinan on 11 August. The conference explicitly pointed out that continued efforts should be made to grasp the distribution of party newspapers and magazines and regard the fulfillment of the party newspaper and magazine subscription task as an important political task.

Han Yukai, deputy secretary of the provincial party committee and Vice Governor Wu Kexing presented awards to the 1994 advanced units in distributing DAZHONG RIBAO.

Dong Fengqi, member of the standing committee of the provincial party committee and director of the propaganda department, attended and addressed the conference.

The conference stressed: Party newspapers and party magazines are the important mass media of the party committees and governments at all levels. Reasonably recording party newspapers and party magazines is the broad mission of cadres with political consciousness, an important responsibility and task of the propaganda and ideological front. All propaganda departments and the post and telecommunications departments in the course of distributing newspapers and magazines should continuously make facts to tell that the public lands for subscribing newspapers and magazines should give serious consideration to guaranteeing the fulfillment of the task of soliciting subscribers for party newspapers and party magazines before giving consideration to the subscription of other newspapers and magazines. In addition to adopting some essential administrative measures in the distribution of party newspapers and party magazines to guarantee the distribution volume, the departments concerned may employ administrative means to assign subscription targets to every the grass roots units to make the subscription. All newspaper and magazine agencies should not regard the distribution to vast masses as giving commissions or handwriting awards. If these kind of cases are found, resolute efforts should be made to severely handle them.

The conference demanded: It is necessary to strictly implement the relevant regulations of the central and provincial authorities and concentrate efforts to correcting the party newspapers and party magazines well. Units that are not qualified for running newspapers must be revoked; unauthorized newspapers approved by units and departments will not be recognized in principle. Units that are originally qualified to run newspapers must report to the higher units for examination and approval in accordance with procedures. The approved newspapers and magazines for internal circulation must be strictly managed.

Zhejiang Governor on Technological Progress

[illegible]

[illegible]

(Text) Hangzhou, 11 Aug (XINHUA)—Zhejiang Governor Wan Xuexuan recently urged all people to set their sights on the future of Zhejiang, to think more flexibly, to raise the level of technological transformation, and to strive to raise enterprises' technological progress to new heights.

Keeping in mind the current economic work and the current production situation, Wan Xuexuan set demands on further promoting enterprise technological transformation at the provincial working conference on technological transformation. He said that under the current situation of a public-ownership economy and particularly when the state-owned large and medium-sized enterprises are facing a lot of difficulties, it is necessary to further raise awareness and to be more flexible in thinking in the area of technological transformation in order to enhance enterprises' competitiveness and to ensure their survival on the home market. Wan Xuexuan proposed to do a better job in integrating technological transformation with the study of domestic and foreign markets, in integrating enterprises' reform with enterprises' reorganization, in integrating the application and popularization of scientific and technological results with the introduction of advanced technologies, in the expanded use of foreign capital, and in integrating the readjustment of production setup while bringing the requirements of industrial sectors into plan under market economy. He added that enterprises have no choice but to adopt the above approach to effectively raise their technological transformation level, to accelerate the process of technological transformation, to promote enterprises' technological progress, and to enable enterprises to survive in the fierce market competition.

The following topics were discussed at the Zhejiang Working Conference on Technological Transformation: Analysis of the new situation and new problems which will emerge during the technological transformation work; policies and measures to accelerate and support technological transformation under the new conditions; and making arrangements for the formulation of a plan for enterprises' technological transformation over the next few years.

Zhejiang Starts Repairing Typhoon-Damaged Dikes

[illegible]

(Text) Hangzhou, August (XINHUA)—[illegible] Zhejiang Province [illegible] and repairing dikes of [illegible] km damaged by the typhoon.

People have signaled some serious [illegible] the high spring tides on September [illegible] which is estimated to last for [illegible] days.

Officials and cadres will make more efforts [illegible] according to the local flood-control headquarters.

Central-South Region

Guangdong Develops Export-Oriented Agriculture

[illegible] Beijing XINHUA [illegible] Eastern China [illegible] 1 Sep 94

Text: Guangzhou, September [illegible] XINHUA [illegible]—Taking the advantages of being located in the sub-tropical area and close to Hong Kong and Macao, south China's Guangdong Province has developed its export-oriented agriculture with good returns.

Last year, [illegible] million [illegible] dollars from the export of agricultural products, and the figure will be much bigger this year.

Local farmers have introduced new varieties of flowers, vegetables, fish and other from overseas. According to the agricultural department of the provincial government, since the middle 1980s, the province has introduced over [illegible] high-bearing varieties of animals and plants.

In [illegible] the province has also introduced over [illegible] pieces of advanced processing equipment and technology, which have played an important role in promoting [illegible] of agricultural products.

With the [illegible] of export-oriented agriculture, the province [illegible] processed agricultural products.

In [illegible] introduced foreign investment in agricultural [illegible] and an accumulated one billion [illegible] dollars [illegible] in establishing a group of export-oriented agricultural [illegible] enterprises.

Official: Guangdong Needs 1 Million Professionals

[illegible] Beijing XINHUA [illegible] 1 Sep 94

Text: Guangzhou, September [illegible] XINHUA [illegible] south China's [illegible] province of Guangdong will need one million professionals in the next decade [illegible] of the provincial service [illegible] enterprises.

[illegible] market economy [illegible] part of the country used to [illegible] permitted persons coming from all [illegible] the [illegible]

[illegible] Guangdong has been [illegible] and developing market economy [illegible] and some major provincial [illegible] the planned economy.

[illegible] Guangdong has received positive [illegible] permanent [illegible] outside the province [illegible] Hong Kong and Taiwan.

Since 1991, some [illegible] local cities have set up permanent markets and Guangdong is now building a computerized data bank of talents with an investment of nearly [illegible] million yuan [illegible] million [illegible] dollars which will cover the whole province.

The province introduced [illegible] persons including [illegible] reported at local service centers of permanent exchanges last year.

Meanwhile, delegations from six local cities visit in the United States and Canada, attracting over [illegible] Chinese students to apply for more than [illegible] specialists.

Now many of the students have come to Guangdong.

Guangdong Province Witnesses Great Development

[illegible] Beijing XINHUA [illegible] 1 Sep 94

Text: Guangzhou, September [illegible] XINHUA [illegible] south China's Guangdong Province has witnessed a great development in its economy.

Compared with [illegible] the total agricultural and industrial outputs of Guangdong [illegible] and [illegible] times respectively.

From [illegible] grain output increased from [illegible] million tons to [illegible] million tons, [illegible] percent; the output of [illegible] million tons, an increase of [illegible] and from [illegible] 400,000 tons to [illegible] million tons, an increase of [illegible] times.

In the same period, [illegible] increased from [illegible] million tons to [illegible] million tons, steel output increased [illegible] times from [illegible] million tons, cement output increased [illegible] times from [illegible] million tons, [illegible] million tons, and the number of [illegible] increased from [illegible] million.

The increase in production has promoted [illegible] the structure of Guangdong [illegible].

The proportion of agricultural [illegible] service changed from [illegible] the period, showing a rapid growth [illegible].

Now Guangdong has [illegible] the [illegible] industrial economy.

Guangzhou Steel Conglomerate Expands Business Overseas

[illegible] Beijing XINHUA [illegible] 1 Sep 94

Text: Beijing, August [illegible] XINHUA [illegible] Guangzhou Iron and Steel Group [illegible]

business the Guangzhou Iron and Steel Conglomerate of south China's Guangdong Province has ever established, has begun operation.

According to the "YUEGANG INFORMATION NEWS" prior to this, the conglomerate, with 12,000 employees, had established companies in Hong Kong, Macao and Thailand.

Last year the conglomerate produced 610,000 tons of steel, earning [illegible] billion yuan and 10 million U.S. dollars in profits.

The Guangzhou Iron and Steel (France) Corporation is responsible for establishing business links between the Guangzhou conglomerate and other European iron and steel enterprises, introducing advanced technology, raw materials, equipment and components, collecting market information and raising overseas funds for the parent company.

Work To Start on Guangzhou-Zhuhai Railway

[illegible] Beijing XINHUA [illegible] in English [illegible] GMT [illegible] Sep 94

[Text] Beijing, August 31 (XINHUA)—Work will start later this year on a new railway line between the Guangdong Provincial capital of Guangzhou and the province's Zhuhai city, according to the "SOUTH CHINA DAILY."

The newspaper said that the "Main Line is scheduled to open for traffic in 1997."

It quoted Zhang Gaoli, deputy governor of Guangdong, as saying that the new railway is crucial for the construction of the western economic zone of the Pearl River delta, the most prosperous area in Guangdong Province.

"Construction of the new railway will enable the western part of Zhuhai city to become a major trading port for the whole of south China," he said.

The railway will run through seven cities and one county in the western part of the delta and will be connected with national trunk railway lines, he said.

Shenzhen Launches Campaign Against Organized Crime

[illegible] Beijing ZHONGGUO [illegible] XINHUA [illegible] in English [illegible] GMT [illegible] Sep 94

[Text] Shenzhen, August [illegible] (XINHUA)—The Shenzhen municipal Public Security Bureau has decided to launch a vigorous campaign against triads.

In recent years, triads abroad have infiltrated into Shenzhen and the interior of China and carried out sabotage activities. Besides, some unlawful organizations in Shenzhen municipality, imitating the organization of triads abroad, have set up gangs and societies to commit crimes, disregarding law and discipline. Triad societies, as well as gangs with the nature of triad societies, have all become an evil force that endanger Shenzhen's social law and order.

For many years, the municipal Public Security Bureau of Shenzhen has taken actions to combat the criminal activities of triad societies and gangs. In order to further crack down on triad societies, the Bureau has aimed its spears at four kinds of people: First is the key figures and backbone members of triad societies and gangs. Second is criminals of triad societies and gangs who commit serious crimes such as murder, robbery, rape, drug traffic, traffic in firearms, kidnap and blackmail, retaining women with force for prostitution, theft, etc. Third is relevant people who provide funds, place, transport and communications facilities, or other conditions for triad societies. Lastly is criminals engaged in all types of other serious crimes.

Guangdong Upgrades Animal Stock Raising

[illegible] Beijing XINHUA [illegible] in English [illegible] GMT [illegible] Sep 94

[Text] Guangzhou, August 31 (XINHUA)—The once underdeveloped animal husbandry in south China's Guangdong province has been upgraded into a large-scaled modern industry.

There are around 100 farms each raising over 1,000 pigs in the province, and the most prominent is Wanding Pig-Raising Farm, which produces 10,000 heads a year.

In 1993, Guangdong produced [illegible] million tons of meat, ranking second in China.

Since early 1980's, the province has imported refined species to improve animal husbandry production. Now 70 percent of the poultry are raised by using refined species.

A feeder producing system, the largest in China, consisting of about 200 factories, providing 1.8 million tons of forage annually, is also operating smoothly in Guangdong.

Besides, a circulation network has been established to sell livestock products in the province and rest of the country.

Guangxi's Nanning City Increases Exports

[illegible] Beijing XINHUA [illegible] in English [illegible] GMT [illegible] Sep 94

[Text] Nanning, September [illegible] (XINHUA)—Nanning, capital of southwest China's Guangxi Zhuang Autonomous Region, made an export volume of [illegible] million U.S. dollars in the first year [illegible] 54 percent more than the figure for the whole of last year.

Local major exports include sugar, animal feed, and spices.

The city is not so developed compared with other southern China cities in terms of its market economy. It has worked hard to improve quality of local products.

These exports realized a quality rate of 100 percent.

Percent of Guangxi Fixed Assets Investment From Abroad

HK1108130594 Beijing ZHONGGUO XINWEN SHE in English 0841 GMT 11 Aug 94

[Text] Nanning, August 11 (CNS)—20 percent of the fixed assets investment in Guangxi comes from abroad and the percentage has been increasing year after year. Foreign capital is gradually becoming the most important source of Guangxi's economic development.

According to Guangxi's opening up office, by the end of last June Guangxi had more than 5,000 foreign-funded enterprises and the actual utilization of foreign capital was US$ [illegible] billion. The Chairman of Guangxi Zhuang Autonomous Region, Mr Cheng Kejie, pointed out that Guangxi still lags behind the pace of the whole country's development and therefore should quicken its step in utilizing foreign fund. To use more or less foreign capital is the deciding factor to Guangxi's speed of development.

Compared with last year, Guangxi saw a drop in utilizing foreign capital in the first half of 1994. To curb the downward trend in utilizing foreign capital, Guangxi adopted various methods, which have reaped some results in the second half of the year. In mid-August Guangxi held trade talks in Singapore and put forward a number of projects for drawing foreign investment. There they clinched 32 deals with a total investment of US$ 390 million in value, of which foreign fund accounted for US$ 41 million. Moreover, 11 agreements, involving a gross contracted investment of US$ [illegible] million, were signed.

At a meeting about the utilization of foreign funds, officials of Guangxi autonomous called for a more open-minded attitude and broadening more fields in introduction of foreign capital. Self-enterprises that can be sold, rent them that can be rent, as long as the state laws and policies are not violated, methods in utilizing foreign capital should be as diversified as possible.

According to an official of Guangxi's opening up office, to improve investment environment is still an important measure to draw foreign capital. The recent catastrophic floods led to a drastic drop in Guangxi's fixed asset investment. However, Guangxi's development in new industries and industries has not been slowed down. Qinzhou Airport and Wuzhou Airport will be completed and put into operation within this year. The expansion projects of Liuzhou International Airport and Beihai Airport will be finished and put into operation in 1995. Beihai Railway is expected to open to traffic in the coming winter. Pingguo Aluminum Industrial Company with an investment of more than RMB [illegible] billion (renminbi) will have its trial run and go into operation in September this year. Power stations in Tianyan and Tuanshanpuyao will be equipped with new electricity-generating units and put into operation this year. Guilin-Liuzhou Expressway is quickening its construction process and is planned to open in 1995. Nanning-Beihai Expressway will be started to construct this year.

Even though Guangxi has some problems in realization of its target this year, the actual utilization of US$ [illegible] billion foreign fund, there is still hope to making more efforts, said the official.

Hubei's Wuhan Attracts Steady Inflow of Investment

[illegible]

[Text] Wuhan, September [illegible] (CNS) [illegible]—Wuhan, the capital of central China's Hubei Province, has brought in a steady inflow of investment from developed countries since the beginning of this year.

Yan Mingxin, [illegible] of the Wuhan [illegible] Foreign Investment Office, said that companies from Japan, the United States and other developed countries undertook 69 investment projects in Wuhan in the first half of 1994.

The agreed [illegible] of US dollars in these projects during that period [illegible] percent over the same period of 1993, he said.

These investments [illegible] such sectors as urban infrastructure, commodity housing, hidden processing and [illegible], he said.

[illegible] foreign business people visited Wuhan during the first seven months of 1994, he said, adding that of [illegible] these groups were from developed countries.

During the [illegible] representatives of multinational [illegible] visited the offices of the United States [illegible] and General Motors company [illegible] Germany's [illegible] investing in Wuhan, he said.

Hubei Capital To Introduce Pressure Insurance System

[illegible]

[Text] Nanning, [illegible] (CNS) [illegible]—Wuhan, capital of [illegible] Province, Hubei, will start a pressure insurance [illegible] system in January next year. [illegible] (CNS) [illegible]

The move is aimed at establishing and improving a social security system and supports the implementation of various auxiliary reform measures of enterprises in the city.

According to the newspaper, all people with fixed jobs in the city, including Chinese workers in foreign-funded enterprises, owners of private businesses and their employees, family businesses and their helpers, will be encouraged to take out pension insurance policies.

The pension insurance policy account number will be the same as the identity card of the pension insurance policy holder, said the newspaper.

The premiums will be contributed by individual pension insurance policy holders and the units they are working with.

Northwest Region

Northwest Regional Development Discussed

[illegible] Beijing XINHUA [illegible] Domestic Service in Chinese [illegible] 4 Aug 96

Xi'an, Beijing, 4 Aug XINHUA [illegible]—During the period of the Fourth Xi'an Art Festival, XINHUA reporters interviewed the principal responsible comrades of the five northwest provinces and regions. These responsible comrades held that the successful opening of the Fourth China Art Festival is not only the pride of people in Gansu, but also the pride of the people of the five northwest provinces and regions. The five northwest provinces and regions should firmly seize this opportunity, give full play to the advantages of the Silk Road, and further deepen reform and open up wider to accelerate the pace of building the vast northwest region.

New Opportunity Under the New Situation

Zhang Bolong, secretary of the Shaanxi Provincial CPC Committee said: The successful opening of the art festival has greatly increased the publicity of our city. Lanzhou is in and Gansu Province has also the entire northwest region. It has provided a good opportunity for deepening reform, opening up wider and promoting economic development in the northwest region.

The northwest region is one of the birthplaces of the Chinese nation. It has great potential for economic development. The party central committee, the State Council and people of the whole country have all shown great concern for the development of the vast northwest region. One of the goals of holding the art festival in the northwest region was to through this grand gathering, mobilize and rallied the the northwest region and medium people of the whole country to support the construction of the vast northwest region.

The vast northwest region is richly endowed by nature. First of all, the region has abundant natural resources. There are abundant natural resources to be developed in this 2.96 million square kilometers of land. Among the 140 known minerals in China, over 120 kinds can be found in the northwest region. The deposit of a number of minerals tops the whole country. The northwest region also has wonderful natural scenery and a colorful culture of minority people, offering favorable conditions for the development of tourism. In particular, the linking of the second artery between Asia and Europe and the opening of 13 land ports in Xinjiang have provided favorable conditions for the northwest region's opening up toward both East and West. What is more important is that after more than 40 years of construction and development, especially since reform and opening up, the northwest region has, to a certain extent, acquired some economic power and cultivated a contingent of dedicated scientists and technicians who are daring to do pioneering work and make progress. So long as we seize the opportunity and struggle in unity, we can certainly realize our hope of revitalizing the vast northwest region.

Giving Full Play to the Favorable Conditions of the Silk Road To Accelerate the Opening Up of the Northwest Region

Yan Haiwang, secretary of the Gansu Provincial CPC Committee said: The current art festival in Gansu will promote our development in an all-round way. The greatest consultant is that the art festival has further strengthened our determination to deepen reform and opening up. To properly prepare for the art festival at the national level, we have done a lot of work to improve the environment and provide a great arena for the demonstration of talent by artists from all over the country. Economic and social development should follow the same way. To accelerate the development of Gansu and the vast northwest region, we must further deepen reform, open up wider and create favorable conditions in economic, social and cultural fields so as to attract more funds, technologies and talents from the whole country and the world, allocate material and human resources in a rational manner, and develop new productive forces in the northwest region.

We should take the advantage of the Silk Road in accelerating the pace of construction. In taking the Silk Road's advantage, we should deepen reform, open up wider and accumulate civilization from all over the world, and we should forge ahead courageously in a pioneering spirit. Needless to say, behind the success of reform and opening up, Gansu and other northwestern provinces and autonomous regions have opened their doors and carried hand-in-hand in opening a new Silk Road leading to various parts of the world, setting up an orderly pattern of multi-level, multi-channel, all-directional opening up to the outside world. However, compared with the coastal regions and in view of the northwest's own resources, much remains to be done. We must face up to this reality, start somewhere to catch up with the coastal regions and speed up the pace of the northwest's reform and opening up so that the region can become prosperous or wealth in prosperity.

Strive To Emancipate the Mind and Change the Mind-Set

Jinghua [illegible] Kunming: In the eve of the [illegible] and government leaders of the five northwestern provinces and autonomous regions gathered at the [illegible] Kunming and discussed ways to vitalize build up the northwest. The success of the [illegible] has further [illegible] In retrospect we related and [illegible] past experiences as well as let their good [illegible] There were many reasons for the [illegible] and the failure to change [illegible] opportunities and the importance [illegible] dating [illegible] northwest [illegible] important to raise [illegible] emancipate the mind and change the mind-set [illegible] show how the world [illegible] Major [illegible] mountain [illegible] state and [illegible] strength and [illegible] the [illegible] giving up [illegible] trading [illegible] key [illegible] understanding [illegible] trading [illegible] the Jinghua [illegible] effort [illegible] [illegible] gateway [illegible] [illegible]

[illegible] the northwest region [illegible] high [illegible] regions [illegible] northwestern [illegible] mountain [illegible] opening up the Silk Road [illegible]

Unity and Cooperation in Exploiting the Northwest's Regional Advantages

Kunming [illegible] [illegible] differences [illegible] strength [illegible] the northwest region [illegible] plateau [illegible]

It is gratifying to point out that the people of the northwest have reached a common understanding of overcoming the tendency of doing things on our own and taking the road of joint development. In recent years the five northwestern provinces and autonomous regions have successively set up regional economic associations as the Huanghe Valley Economic Cooperation Zone, the Multi-Nationalities Economic Development Zone in the Upper Reaches of the Huang He and the Northwest Economic Cooperation Zone [illegible] A new situation of strengthening overall coordination optimizing the distribution of regional resources and vigorously opening up domestic and international markets in promoting a rapid, healthy and coordinated economic development has taken shape in the northwest region.

Xinjiang is on the frontline of the northwest region opening up to the outside world. We must not monopolize this favored position in the exchanges of other internal provinces and regions. In the [illegible] more aggressive more conscious for there is [illegible] and [illegible] acting as a good "bridge" and "bridgehead" [illegible] Xinjiang has designated [illegible] in the border town of Khorgas, the Khorgas [illegible] Nongxia and Jinghua to invest [illegible] investment returns. In addition, Xinjiang also made [illegible] for the four provinces and regions to build regional commodity bases in the Xinjiang Economic Cooperation Zone and the Jinghua Opening Area. The [illegible] region after the completion of its [illegible] will become a gateway for the [illegible] northwest region to go westward. The double-tracking [illegible] railway line upon completion will also [illegible] conditions for the region's economic development. [illegible] believe that the five northwest provinces and regions with their mountains and rivers interlocked and their people dependent on each other [illegible] their grandeur of the ancient Silk Road and exhibit to the world western "new glamour, modesty and [illegible]

Publicize the New Northwest Region and Cultivate a New Image

Huang Huang, secretary of the Xinjiang [illegible] Regional CPC Committee said, "It is important and [illegible] accelerate the northwest region's development [illegible] publicize it so that more people understand [illegible] and create a new image for it in the minds of the Chinese people and the people of the world." [illegible] for [illegible] reflects the northwest region's comprehensive strength as well as the [illegible] strength developed since the adoption of the reform and opening up policy. Without the construction and [illegible] efforts of the last decade and more, it would have been difficult for the five provinces and regions [illegible] would reach a gala with [illegible] What is worth pointing out is that a major people's mission, the northwest region will remain in the stage of [illegible] [illegible] Xinjiang.

with great force: rocks as large as cups roll like wold in the winds. Actually, this scene has already become a thing of the past. Although I have been working here for only a short time, I have keenly felt that while the mountains and rivers in the northwest region are great, the people are even greater. The region still lags considerably behind the interior; however, we have already made great progress through reform and opening up.

The state is currently increasing investment in the northwest region. In the last three years of the Eighth Five-Year Plan, it will invest 9 billion yuan to build and strengthen the region's railway system. It invested [illegible] billion yuan last year alone in developing the region's electric power industry. Foreign businessmen have begun to regard this region more favorably. Farsighted entrepreneurs in the eastern coastal region have also begun to turn to the vast northwest region. Take Ningxia for example. This region is no longer the "Tangshan lacra south of Huanghuang" noted for its prosperity in ancient times; it has developed into a raw and semi-finished material production and intensive processing industrial base in northwest China. Its Lingwu Coal Mine, with its coal deposits equal to the combined reserves of the three northeast provinces, has entered a period of large-scale development. Construction of the Yinqin highway, Ningxia's first semi-grade highway, and the Lingwu railway, a major transport-and-supporting project—has also begun. In addition, construction on a number of key projects and infrastructure facilities is being stepped up. Arguably, Ningxia has built a great stage where aspiring people can [illegible]. We will tell everyone about the bright prospects of the vast northwest region's prosperity and development and help the interior people and the people of the world acquire a correct understanding of it and actively take part in its development and construction. The 21st century is a rare opportunity. We must use it as a turning point to work in a down-to-earth manner to great new [illegible].

Urumqi Trade Fair Opens 1 Sep

AB [illegible] Xinhua Bulletin (FBIS) [illegible] English [illegible] 1 Sep 94

Text: Urumqi, September [illegible] (XINHUA)—The 1994 Urumqi Trade Fair opened in the capital city of northwest China's Xinjiang Uygur Autonomous Region [illegible].

The eight-day event has drawn more than 4,000 people from both at home and abroad. Among them are nearly [illegible] businessmen from 42 countries and regions, including Japan, the Republic of Korea, Pakistan, the United States, Hong Kong and Macao.

More big foreign businessmen attended the fair than the [illegible] (XINHUA) Among them are [illegible] Japan and Hanwha of the Republic of Korea.

The cooperative partners not only came from neighboring bordering the Xinjiang Autonomous Region, but also from countries in Europe, the American Southeast Asia and the Middle East.

The trading form has also extended from barter trade to cash trade, technical cooperation and inflow of capital.

Among the 2,000 domestic participants, many came from coastal areas.

Xinjiang will offer more than 100 projects for foreign investment at the fair.

Xinjiang has in recent years opened 11 air routes to domestic and overseas cities and boasts 7 border ports, ranking first among all the provinces and autonomous regions.

Xinjiang Expects Bumper Harvest in 1994

AB [illegible] Xinhua Bulletin (FBIS) [illegible] English [illegible] 1 Sep 94

By reporter Ding Jiangang [illegible]

(Text) Urumqi, 29 Aug (XINHUA)—People in the Xinjiang Uygur Autonomous Region have fully relied on science and technology to overcome unfavorable factors caused by various kinds of natural disasters this year and they are certain to expect another bumper harvest in agricultural production after reaping bumper harvests for 11 years running. There is a prosperous situation in both north and south Xinjiang, where people will have greater incomes as a result of bumper and stable harvests of grain and cotton.

Since last winter and this spring, Xinjiang has been hit by frequent natural disasters, including snowstorms, drought and damage caused by high winds and water logging, thus causing a serious threat to Xinjiang's agricultural production. Agricultural production departments at various levels worked in close combination with weather and water conservancy departments to fight against natural disasters and reduce damage caused by natural disasters.

Meanwhile, Xinjiang has promoted suitable agricultural technologies in its north and south regions to reap high yields in grain and cotton production, to raise the utilization rate of farmland, and to develop double cropping and the intercropping of grain and legumes.

A Xinjiang Uygur Autonomous Region People's Government official concerned recently in regard to the effectiveness of various measures, Xinjiang would certainly reap a bumper harvest in agricultural production this year. The total area of farmland planted with cotton is [illegible] million mu, and the cotton output is expected to reach [illegible] million dan, less by [illegible] kg, much greater than the [illegible] million dan in last year. The grain output may reach [illegible] million tonnes, which is more than self-sufficient. The output of sugar beets, rapeseed and some other crops will be larger by more

than 30 percent compared to last year. The output of melons, fruits, and other well-known and special products will all rise to a great extent. The total number of livestock being raised has reached some 46 million head with a marketability rate higher than the national average. The output value of village and town enterprises has been increasing at a rate of 70 percent each month (as received), and these enterprises are developing quickly and with high economic efficiency. According to an estimate, after allowing for price increases, the bumper harvest in agricultural production this year will enable peasants of various nationalities in the region to increase their incomes by more than 100 yuan per person.

The solid foundation in agricultural production as a result of bumper harvests in past years has enabled Xinjiang's agriculture to shift from the type of increasing output to the type of increasing efficiency. High-efficiency agricultural zones have been in the main set up in various locales, and they greatly promoted the development of agricultural production in Xinjiang.

Construction of Oilfield in Xinjiang in Full Swing

[HK 1100] [illegible] Beijing XINHUA in English 0[illegible] GMT [illegible] Aug 94

[Text] Urumqi, August [illegible] (XINHUA)—The construction of an oilfield on high ground in northwest China's Turpan-Hami region is now in its full swing.

Located in the eastern part of the Xinjiang Uigur Autonomous Region, the oilfield is the biggest of its kind in the region, covering an area of [illegible] sq km and with an estimated oil reserve of 80.41 million tons.

Two other oilfields in the region went into operation in 1981 and 1984, respectively.

According to the exploration program planned in line with international standards, about [illegible] million tons of oil reserves will be the target for exploitation in the first phase of the construction.

And a total of [illegible] wells will be sunk, with a total annual crude output of [illegible] million tons.

In the past six months and more since construction started, [illegible] wells have been sunk, accounting for [illegible] percent of the total planned.

So far, the total exploration of the oilfield and 80 percent of its groundwork have been completed. Oil tanks, and power supply and oil transport facilities have also been installed.

Planes Used To Serve Oil Prospecting in Xinjiang Desert

[HK 1100] [illegible] 1994 Beijing XINHUA in English 0[illegible] GMT [illegible] Aug 94

[Text] Urumqi, August 11 (XINHUA)—Planes, as an effective transport means in the world, are now widely used to serve oil prospecting in the vast Taklimakan Desert of northwest China's Xinjiang Uigur Autonomous Region.

According to local officials, they started to build temporary airports in Taklimakan desert six years ago. In the past years, 14 airports have been constructed in the desert, of which four are still under operation.

Each week there are four flights to the central area of the Taklimakan Desert, carrying workers to and fro and ensuring supply of living materials, such as vegetables, meat and eggs in the central area.

Imported planes are used to carry out these flights. These planes provide an a guarantee for the normal operation of oil prospecting in the desert, as well as create better working conditions for oil prospecting workers in central Taklimakan, said the officials.

Qingdao-Zhengzhou-Urumqi Air Route Opens 18 Aug

[HK 1600] [illegible] 1994 Jinan DAZHONG RIBAO in Chinese 18 Aug 94 p

[Text] Beginning on 19 August, the Xinjiang Airline Company will initiate the Urumqi-Zhengzhou-Jingdao-Zhengzhou-Urumqi air route, using Tu-154 airplanes. Airplanes flying this route are scheduled to take off from Qingdao at 1605 and arrive in Urumqi at 2204. After the first flight, there will be one scheduled flight every Thursday.

Relatives Object to SEF Report on Incident

[illegible] Beijing [illegible] in Chinese [illegible] GMT [illegible] Aug 94

[By reporter Zhang Heping [illegible]]

[Text] Nuan, Taiwan [illegible] Aug [illegible]—Families of the [illegible] deceased mainland fishermen stated how the [illegible] fish marine incident happened and their views to the members of Taiwan's Strait Exchange Foundation (SEF) and reporters at Nuan, Yilan County, Taiwan on [illegible] August and raised objections regarding the material "The Happening of the Shanghai No. [illegible] Incident" distributed to the media by the SEF members in the early morning of [illegible] August.

Family members of the deceased said the "[illegible] fish marine incident" was not merely a "natural disaster incident" as stated in the material distributed by the SEF, but a result of insufficient rescue efforts by "Shang-hai Company." "Shanghai Company" is responsible for the major man-made causes of the incident.

Family members pointed out, in spite of their "[illegible] until noon of [illegible] fish before Typhoon No. [illegible] hit Yilan, [illegible] local meteorological stations issued warnings again and again. However, "Shanghai Company" and "Shanghai No. [illegible]" did not take any typhoon prevention measures such as moving their engines and fastening their anchors for three and a half days. When the typhoon finally reached the sea off Yilan, wind speed [illegible] km/h, [illegible] knots, with gusts of force [illegible] managing work related to fishermen and others urged captain Wu Songming to steer the ship into the harbor to seek shelter. However, Wu Songming said, notice from the company had not yet been received and ignored the fishermen's request. After the wind waves and rainstorm became stronger and heavier, "Heping and others again strongly demanded to be allowed to enter the harbor. Wu Songming said: "This is not anything to be concerned about." Taiwan "go out" [illegible] typhoon for many years. Family members of the deceased said: After the incident, Taiwan's Transportation Department said that "fishing boats are illegal and should take responsibility for entering the harbor on a typhoon." However, the material distributed by the SEF says: "The Yilan County police authority received that when "fishing boats must enter the harbor to seek shelter in [illegible] of emergency, Nuan Harbor will offer, [illegible] to allow fishermen." However, the fact is that "Shanghai Company" and "Shanghai No. [illegible]" did not take any measures to enter the harbor to seek shelter to avoid mainland fishermen drowning in the tragedy. After [illegible] the typhoon became stronger, captain Wu Songming [illegible] that the wind situation was far from good. They requested and urged the harbor near "Shanghai Company" [illegible] after weighing anchor, [illegible] that the propeller was tangled with fishing net and their material "[illegible] to [illegible] fishing net and [illegible] in the morning of [illegible] when entering the harbor to found that the propeller was tangled with fishing net and reported the situation to the captain. However, the captain did not take any action. Later on, when situation became critical, [illegible] Heping and others strongly demanded that the captain call the company to send a tugboat to rescue them. The captain said: "NT$100,000 (new Taiwan) is required to send out a tugboat. We cannot afford it."

Family members of the deceased said the material distributed to the media by the SEF did not mention a single word regarding the facts of "Shanghai No. [illegible]" being hit by the typhoon until the happening of the tragedy from the morning of [illegible] fish until nightfall the same day. Calling this incident "merely a natural disaster incident" can protect the owner of the ship, but cannot convince the people.

Commentary Calls For Direct Air Links Across Strait

[illegible] Beijing [illegible] Radio [illegible] GMT [illegible] Aug 94

[From the "News and Current Events" program]

[Text] Volunteers and friends: The issue of direct air links between the two sides of the strait has become a hot topic of discussion in the mass media on the island of Taiwan. A Xian commentator of this station has written a commentary on this issue. "Materializing Direct Air Links Across the Strait as Soon as Possible" is read by Li Huang as follows:

According to a report by Lan Hemiong, professor at the Taiwan University, if Taiwan residents made to Mainland Tours or VFR were granted use of direct air links instead of indirect ones, NT$ [illegible] (new Taiwan$) billion to NT$4 billion could have been saved. A direct round trip between Taipei, Taegeu and Kaohsiung will save seven hours of mileage of some three days, making the major hanging air complex in Hong Kong. As for the fares, the flight will cost NT$[illegible] in terms of international lines and NT$[illegible] in terms of domestic lines. NT$[illegible] and NT$[illegible] are longer expenditures than travelling via Hong Kong.

Lan Hemiong noted: There are at least [illegible] flights from Taiwan to Hong Kong and at least [illegible] flights from Hong Kong to [illegible] cities in the mainland per week. Taiwan residents have spread over [illegible] million visits to the mainland and the number is growing by [illegible] per year. In view of such close contacts between the people of the two sides, direct air links are a necessity. According to Taiwan [illegible] in mainland, three direct air routes between Taipei, Shanghai and Taipei, Kaohsiung must be launched. The amounts of time and money saved will be [illegible] per year.

[illegible] handling of immigrant cases and issues from direct air links across the strait, [illegible] Huang Yi, Mu Huang, [illegible] Huang

[illegible] Airways Corporation, Far East Air Transport Corporation, and Foshing Airlines, unanimously expressed the hope that the Taiwan authorities would deregulate direct air cargo services across the strait at an early date. The four airline companies have very confident to expect mainland's aviation market and are fully prepared for cross-strait direct air services. Recently, the China Airlines dispatched a technical team to inspect 12 airports along mainland's coast. A high-ranking official of the China Airlines said: "For the new routes set up direct air links, mainland's aviation market will prove to be quite potential. Some air landing fields in coastal remain to be developed."

Zhang Rongda, president of Taiwan's Transport Council, urged the Taiwan authorities to separate economics from politics. The fact that people have to go to mainland via Hong Kong originates from the restrictions that Taiwan's economic sphere set in setting up direct links with mainland. Mainland and results in an increase in Hong Kong's [illegible] Taiwan should do its job and settle the direct air links problem.

The current five-year aviation agreement between Taiwan and Hong Kong will expire in [illegible] according to the stipulations of the Hong Kong Basic Law. Hong Kong has to negotiate aviation agreements with air transport sectors of Taiwan and the mainland. China, including provisions for current aviation agreement between Taiwan and Hong Kong and Hong Kong's [illegible] Mainland. Taiwan and Hong Kong, which had an agreement stipulating the [illegible] airline companies will have to negotiate with Beijing on their aviation rights for the Taiwan-Hong Kong route.

Realizing direct air links across the strait is an important issue in the development of cross-strait relations, a president in one of the facts that Hong Kong and mainland. Taiwan's [illegible] and planning to develop [illegible] and transport hub of the Asia-Pacific region. The issue of direct air links has been brought up for the second time. As for lack of [illegible] between the two sides of the strait at present, cross-strait direct air links should have been established a long time ago. After the major aid loans from Hong Kong [illegible] air lines links between Taiwan and Hong Kong will actually become direct links between the two sides of the strait. This is a problem that cannot be [illegible] any longer.

[illegible] Taiwan's transport [illegible] and air and shipping [illegible] the strait should not be [illegible] cross-strait direct air links on the strait. [illegible] Taiwan's airline companies [illegible] prepared for [illegible] new routes. [illegible] Taiwan authorities should [illegible] abandon their rigid political doctrines, seize the opportune time, start the negotiations on the problem of direct air links as soon as possible, and deregulate direct air links across the strait quickly.

Olympic Head Opposes Taiwan Officials at Assad

[illegible]

Taipei Panorama, Aug [illegible] (CNA)—China is opposed to any Taiwanese government official attending the Hiroshima Asian Games, Wei Jiaxiong, executive director of the Chinese Olympic Committee said Wednesday, [illegible] Aug.

Wei made the remark after Taiwan's CENTRAL NEWS AGENCY reported that Hsu Li-teh, vice president of Taiwan's Executive Yuan, is likely to replace President Lee Teng-hui at the 12th Hiroshima Asiad opening ceremony.

If Taiwanese participants, Wei said, we would not agree to the attendance of sports representatives [illegible] principle and the issue is not negotiable. He made the remark while attending the International Olympic Committee congress.

Wei said earlier this week that if the Olympic [illegible] were ahead with its invitation to Taiwan's vice president, China might not call off the 12th Asian Games.

If President Chang Chung-hsun [illegible] attend the Asian Games, [illegible] Wei said.

He said he hopes the problem would be [illegible] President to attend the opening ceremony, [illegible] said.

KYODO on Taiwan Presence

[illegible]

Tokyo, Beijing, Aug [illegible] (KYODO)—Chinese Foreign Minister Qian Qichen said Thursday, Aug. there would be political trouble if Taiwan President Lee Teng-hui attends the Asian Games in Hiroshima in [illegible].

The Hiroshima Asian Games are a sports gathering of Asian athletes and should not bring trouble, Qian said. There will be political trouble if the games are used as a stage for organizing conventions of presidents in the region, Qian warning said at a news conference.

President Lee Teng-hui [illegible] Chang Chung-hsun [illegible] attend the games, despite the [illegible] agreement signed with Taiwan after establishing diplomatic ties with Beijing in [illegible].

The [illegible] Qian said, Beijing and Manila [illegible] the games [illegible].

Nanjing Approves Taiwan-Funded Enterprises

HK0109080594 Beijing XINHUA (in English 0847 GMT 1 Sep 94)

[Text] Nanjing, September 1 (XINHUA)—Nanjing, capital city of east China's Jiangsu Province, approved the establishment of 805 Taiwan-funded enterprises in the first half of this year, making Taiwan the second largest overseas investor in the city.

The investment, which totals 991 million U.S. dollars from Taiwan investors, has expanded from the manufacturing sector to agriculture, industry and services. The nature of the projects has been changed from labor-intensive to technology-intensive and capital-intensive.

Six new people from 15 large business consortia from the island have inspected Nanjing City, and some of them have invested heavily in the city.

Up to now, several Taiwan businessmen have invested in more than one joint venture. One of them has set up over ten such enterprises in Nanjing, with a total investment of over 20 million U.S. dollars.

Taiwan Investment in Jiangsu Increases This Year

HK0109080594 Beijing XINHUA (in English 0847 GMT 1 Sep 94)

[Text] Nanchang, September 1 (XINHUA)—Investment from Taiwan in inland Jiangsu Province has been on the rise since the beginning of this year, according to provincial officials.

The total Taiwan investment in the cities of Nanchang and Jiujiang, and the prefectures of Ganzhou and Fuzhou in the first quarter of this year surpassed the figure for all cities and prefectures in Jiangsu in the whole of last year.

Although Taiwan investors began to enter into Jiangsu as late as in 1992, the growing speed of Taiwan investment was very fast.

In 1992, the province approved 135 Taiwan-funded projects totalling 278 million U.S. dollars. In 1993, 223 more such projects valued at 274 million U.S. dollars were endorsed.

Among the Taiwan-funded businesses inaugurated last year, 76 invested more than a million U.S. dollars each.

So far, enterprises with Taiwan investment have been set up in all the 11 cities and prefectures in Jiangsu.

They are involved in a wide scope of business, including chemicals, building materials, ceramics, electronics, woodstuff, and real estate.

The provincial officials believe that with the completion of of the Beijing-Kowloon Railway next year, the province, especially cities along the railway, will become more attractive to Taiwan investors.

Relatives of Mainland Fishermen Return Home

[illegible]

[illegible]

Taipei [illegible] — Relatives of the [illegible] mainland Chinese fishermen who drowned off northeastern Taiwan arrived the other [illegible] their loved ones home Tuesday [illegible] morning.

The relatives who arrived here Thursday [illegible] special services for the deceased stayed overnight at Huang Kuo-chuk's KK International Airport Hotel near KK Airport.

The remains of [illegible] Chinese fishermen flight headed for Hong Kong at [illegible] and will return to the mainland via the British colony. Leaving no records who saw them off was Hsu Tsun-hsun [illegible] the secretary-general of Straits Exchange Foundation (SEF).

SEF [illegible] organization [illegible] to help handle [illegible] exchanges between the [illegible] of the Taiwan Straits and offer [illegible] to accompany the relatives throughout their stay here.

The relatives of [illegible] without asking the problem of compensation [illegible] the dead fishermen. They requested an offer by Chang Shi-ming, owner of Shang Hsin [illegible] in which the fishermen had [illegible] an agreement [illegible] [illegible] offered [illegible]

[illegible] relatives [illegible] Chang [illegible] power [illegible] to pay for [illegible] and not agree to the compensation [illegible] The relatives requesting [illegible] compensation [illegible] US$ [illegible] US$ [illegible] for each death but Chang maintained he would only pay the US$ [illegible] he [illegible] [illegible]

The relatives [illegible] [illegible] Chang Kuang-hsuan [illegible] Chang Kuang-hsuan [illegible] pay US$ [illegible] [illegible] the [illegible] and the [illegible] to pay [illegible] the [illegible] [illegible] the relatives [illegible] [illegible] [illegible] against the owner of the ship.

The relatives [illegible] the [illegible] the [illegible] [illegible] [illegible] the offer.

[illegible] Monday afternoon [illegible] the relatives [illegible] the [illegible] [illegible]

[illegible]

Dissident Says Democracy in PRC Lifelong Goal

[illegible]

Taipei [illegible] — Exiled Chinese dissident Wuerkaixi who is visiting Taiwan on Tuesday said that bringing democracy to China was his lifelong goal, and that he will pursue that aim regardless of the threat of repressionment.

Wuerkaixi, whose name appeared on the Chinese government's most-wanted list of student leaders following the army's crackdown on pro-democracy demonstrations at Tiananmen Square in June 1989, said he has never abandoned the ideals of that movement.

"Democracy in China is my lifelong goal. I will never give up," he said, AFP.

Although the campaign for political change waged by Chinese dissidents in exile has ebbed, the movement within China is surging, he said.

Wuerkaixi said he came to Taiwan in part to meet a former classmate Chiang Kai-shek, the well-known figure for showmanship and hyperbole, he added that his new friends understands that meeting Wuerkaixi is equivalent to meeting danger and wandering.

Wuerkaixi regarded Chiang as a friend. Tsai Hsin-cong at a commemoration held last by Tibetan Buddhist master Lin Lun-ai Tuesday.

He said he regretted his parents could not come to China to attend the wedding here, and added that he hopes to return to the mainland some day.

Wuerkaixi arrived here earlier this month and will soon return to San Francisco.

Wuerkaixi made his way to the United States via France through an underground railroad set up by student supporters following the army's assault on Tiananmen. He fled the square in an ambulance on June 4, 1989.

[illegible] from Chinese pro-democracy [illegible] northwest China, Wuerkaixi became Taiwan's offer to [illegible] Premier [illegible] by [illegible] a more student [illegible] in an effort that was broadcast nationwide.

Outgoing Envoy to U.S. Says Ties Growing Steadily

[illegible]

Taipei [illegible] — The outgoing Republic of China representative to the United States, Chang Shao-kang, said Wednesday that an amicable relationship here growing steadily.

Chang [illegible] [illegible] a farewell gathering [illegible] the [illegible] made the remarks at a news conference. He returned to Taipei from the United States on [illegible]

He said the ROC is now the second-largest trading partner of the United States, as well as its second-largest market in the Asia-Pacific region, after Japan.

He urged the United States to lift its current ban on visits to the US by ranking Taiwan officials and to allow Taiwan to rename its representative office in the United States.

He said the current name of the office—the Coordination Council for North American Affairs—cannot fully represent the Republic of China, and has caused unnecessary problems as a result.

Ding also said the US Government is not in a rush to complete its Taiwan-policy review sought [because] there are no emergencies or important issues between the two nations that need to be dealt with immediately.

Ding assumed his Washington post in 1988 after he resigned as foreign affairs minister. ROC-US ties have grown closer than ever during his tenure, with the United States extending its support for Taiwan to joint bids the Asia-Pacific Economic Cooperation Forum and the General Agreement on Tariffs and Trade, in addition to sending a cabinet-level official to visit Taipei last year.

Lincham Taipei Mission Plans Travel to U.S.

FOB 1108 1108 1996 Taipei CNA in English 1108 GMT 11 Sep 96

By [illegible] Yang]

[Text] Taipei, Aug. 11 (CNA)—A mission from the American Chamber of Commerce and the Lincham Taipei President William S. Bishock will travel to Washington in Sept. 96 to detail Taiwan's efforts on a number of US concerns.

The mission to make the Special 301 Selections, commercial and intellectual property rights, sources said.

While in Washington, DC, members of the mission will exchange opinions with some 30 US ventures and companies on issues of mutual concern.

Lincham Taipei is also working to arrange a meeting with US President Bill Clinton to express how important a close and friendly relationship between the two countries is to the interests of the American people, sources noted.

Lincham Taipei will all a news conference on Sept. 9 in Taipei to explain the purpose of the trip. The organization has 247 large members in Taiwan.

President Receives Solomon Islands Parliament Speaker

FOB 1008 1008 1996 Taipei CNA in English 1008 GMT 10 Aug 96

By [illegible] Yang]

[Text] Taipei, Aug. 10 (CNA)—President Li Teng-hui received visiting Solomon Islands Speaker of National Parliament Paul Joseph Tovua Tuesday [30 August].

During the meeting, Li extended a cordial welcome to Tovua and thanked him for his country's support of the Republic of China (ROC)'s bid to enter the United Nations.

Li also expressed appreciation to Tovua for Solomon Islands support to ROC to become a dialogue partner of the South Pacific Forum in early August despite Communist China's obstruction.

Tovua came to Taiwan Aug. 26 and will leave Wednesday.

Li Teng-hui Meets With Japanese Diet[illegible]

FOB 0109 0109 1996 Taipei CNA in English 0109 GMT 9 Sep 96

By Sofia Wu

[Text] Taipei, Sept. 1 (CNA)—Japan should be more open-minded, far-sighted and unselfish in dealing with international affairs, President Li Teng-hui said Thursday (1 September).

Li made the remarks while meeting with a group of Harbinger New Party members in Japan's House of Representatives.

Japan has emerged as a world economic power and is working to play a bigger role in the international community, Li said. If Japan can be more generous and broad-minded, he believe, it will win more respect and lead in the world arena, he added.

Li told his Japanese guests that the ROC has managed to weather many difficulties and accomplish sweeping political and economic reforms in the past few years.

As a national leader, Li said he is committed to hearing people's voices and promoting their well-being in formulating all government policies.

The Japanese group headed by Kunihiko Tokai, the party's chief in the lower house, arrived in Taipei Tuesday for a four-day visit. All of its members, including Asahiko Mihara and Aki Nakajima, are rising stars in the Japanese political arena and are friendly to Taiwan.

Vice Premier Clarifies Planned Visit to Japan

FOB 1008 1008 1996 Taipei CNA in English 1008 GMT 10 Aug 96

By [illegible] Tien

[Text] Taipei, Aug. 10 (CNA)—Vice premier Hsu [illegible] said Wednesday (7 August) that his planned visit to

[illegible]

[illegible]

[illegible]

During the October meeting, Taiwan will collaborate with other GATT members in drafting the Taiwan protocol.

The ROC legislature is expected to approve the GATT-related bills, including the Taiwan GATT protocol, in December.

Government Lifts Import Bans in GATT Move

[illegible] Taipei CNA in English [illegible] GMT [illegible] Sep 94

By [illegible]

Text Taipei, Sept. [illegible] (CNA) — Taiwan lifted import restrictions on foreign tobacco and alcohol Thursday (September [illegible]) as part of its bid for membership in the General Agreement on Tariffs and Trade.

Except for products from Mainland China and [illegible], the Ministry of Economic Affairs lifted all restrictions on the areas allowed to export tobacco and wine to Taiwan.

The Taiwan Tobacco and Wine Monopoly Bureau noted that except for Japan and South Korea, Taiwan has already allowed the import of alcohol from [illegible] nations and [illegible].

Bureau officials said that the relaxed import regulations will [illegible] competition for domestic tobacco and alcohol manufacturers [illegible] with the greatest competition [illegible] from Japanese imports.

[illegible] laws and regulations ban advertising [illegible] alcohol and tobacco products, the officials said that the [illegible] will [illegible] promotional methods to fight [illegible] foreign product onslaught.

[illegible] said that annual sales of tobacco and alcohol in Taiwan reach around NT$[illegible] billion (US$[illegible]) [illegible] year.

Domestic tobacco commanded [illegible] percent of the Taiwan market in 199[illegible]. Domestic alcohols also [illegible] sales with [illegible] percent market share during the same period, the bureau said.

BOFT Issues Jan-Jul Trade Figures

[illegible] Taipei CNA in English [illegible] GMT [illegible]

By [illegible]

[illegible] (CNA) — Taiwan's total foreign trade [illegible] US$[illegible] billion this year, accounting [illegible] percent of its gross national product (GNP) [illegible] Board of Foreign Trade (BOFT) [illegible]

[illegible] trade [illegible] US$[illegible] GNP [illegible] according to BOFT [illegible]

In the first seven months of 1994, Taiwan posted a two-way trade of US$[illegible] billion, up [illegible] percent from the year-earlier level, as the world economy has been recovering steadily. BOFT officials said Taiwan's overall foreign trade will grow [illegible] in the months ahead.

Taiwan's exports amounted to US$[illegible] billion between January and [illegible], [illegible] from the same period of 199[illegible], while its imports [illegible] percent to US$[illegible] billion. [illegible] Taiwan's trade surplus for the seven-month period [illegible] percent from the year-earlier [illegible] US$[illegible] billion [illegible]

BOFT officials [illegible] trade surplus [illegible] economic development [illegible]

[illegible] Hong Kong, Singapore, [illegible] Korea, Germany, Holland and [illegible] accounted for [illegible] percent [illegible] percent [illegible] total imports [illegible]

[illegible]

[illegible] Hong Kong [illegible]

Slow Export Growth [illegible] Trade Ranking

[illegible] GMT [illegible]

By [illegible]

[illegible]

[illegible] the [illegible] the [illegible] used. Taiwan may [illegible] the world ranking to become the [illegible] largest importing country this year.

[illegible] other Asian dragons [illegible] growth in the [illegible] months of the year. As a result, [illegible] trade increased [illegible] 4 percent according to [illegible] period. The lowest value [illegible]

[illegible] largest trading partner [illegible] conducted that Taiwan may [illegible]

[illegible] Taiwan's exports [illegible] industrial [illegible] as expected.

Trade Deficit With Europe Widens

[illegible]

[illegible] machine [illegible] months of 1994 [illegible] trade with Europe [illegible]

[illegible] largest trading partner [illegible] trade [illegible] billion according to the [illegible]

[illegible] Taiwan [illegible] trade [illegible] billion [illegible] billion.

Trade Deficit With South Korea Widening

[illegible]

Text: Taipei, Aug [illegible] South Korea has become Taiwan's second largest trade deficit country, the Chinese Directorate General of Budget, Accounting and Statistics (DGBAS) reported Tuesday, 30 August.

Taiwan recorded a trade deficit of US$ [illegible] million with South Korea in 1993, according to DGBAS figures. It was the second largest trade deficit Taiwan registered with a trade partner for the year.

Japan was Taiwan's top trade deficit country, with the amount reaching US$ [illegible] billion last year.

Taiwan and South Korea have been trade competitors in the world market. Taiwan was the world's [illegible] largest importing country in the trade with South Korea, ranked 5th. Taiwan's exports totaled US$4.[illegible] billion, compared with South Korea's US$[illegible] billion.

Both countries are export-oriented and some of their industries are in part other countries' imports and components. Taiwan's trade surplus with South Korea has been increasing, said a DGBAS official, as Taiwan's trade use with South Korea has increased sharply.

Taiwan exports to South Korea, in general, mainly a [illegible] and plastic products, while imports from South Korea include [illegible] and [illegible] products.

Taiwan's exports US$ [illegible] growth South Korea [illegible] US$ [illegible] million, than [illegible] US$ [illegible] million. Taiwan's engineering equipment, [illegible] hardware, [illegible] and [illegible] were the top [illegible] exports from South Korea, accounting for 14 percent [illegible] Taiwan's imports from that region.

Taiwan's exports [illegible] engineering equipment, [illegible] chemical products and [illegible] products.

The difficulties [illegible] Taiwan's trade [illegible] with South Korea may [illegible] further [illegible] South Korea's exports [illegible] Taiwan's [illegible] region than Taiwan's [illegible] products.

NT Dollar's Strong Performance Expected To Last

[illegible]

[illegible]

[illegible] dollar's [illegible] the [illegible] Taiwan [illegible] Taiwan [illegible]

[illegible] US$ [illegible]

[illegible] and Aug. [illegible] the NT dollar [illegible] exchange rate with the greenback [illegible] in the three-month period.

[illegible] the [illegible] the NT dollar [illegible]

Unless the Central Bank [illegible] the Taipei Foreign Exchange Market [illegible] exchange rate between the NT dollar and the [illegible] soon break the [illegible]

The strong NT dollar [illegible] economy, they added.

The Ministry [illegible] and 6.44 percent [illegible] 5.64 percent [illegible] second quarter.

The ministry [illegible] Little Dragons [illegible] 6.9 percent growth [illegible] and Hong Kong [illegible] percent [illegible]

Negotiators Finalize Aviation Agreement With Japan

OW [illegible]

[illegible] 94

By [illegible]

[illegible]

The current Taiwan-Japan air agreement was first signed in 1975, three years after the two countries severed diplomatic ties. Under the accord, only China Airlines and [illegible], an affiliate of Japan Airlines, can fly the Taiwan-Japan air routes, which have been hailed as "golden routes" because of their high occupancy rates.

Despite the absence of official ties, Taiwan and Japan have maintained close economic relations. Japan has been Taiwan's largest source of imports and its No. [illegible] or No. [illegible] export market. Two-way trade jumped from US$[illegible] billion in 1975 to US$32 [illegible] billion in 1993, and tourist exchanges also increased from 400,000 to more than [illegible] million visits.

The addition of new flights will further facilitate commercial and tourist exchanges between the two neighboring countries, airline sources said.

Visa-Free Visitors Program Extension Planned

OW [illegible] Taipei CNA in English [illegible] GMT [illegible] 94

By [illegible]

[illegible] (CNA)—The Foreign Affairs Ministry on Wednesday [31 August] decided to extend the visa-free treatment being offered to visitors from [illegible] countries for another six months, as well as to add an undetermined number of days to the period those visitors will be allowed to stay in Taiwan.

This was the conclusion of a meeting reviewing the visa-free program, which was introduced on [illegible] on a [illegible]-month trial basis. Attending the meeting were officials from the Foreign Affairs and Interior Ministries and the Tourism and National Security Bureaus.

Under the program, tourists from the United States, Britain, France, Germany, Canada, Italy, the Netherlands, Belgium, Japan, New Zealand, Australia and Luxembourg are entitled to staying five days in Taiwan without a visa.

Latest tourist statistics show that the program has been [illegible] in attracting foreign travelers, with tourist arrivals increasing by 23 percent to [illegible] million in the first seven months of this year from the same period a year ago.

The new measure must now win the approval of the [illegible] before it can take effect.

Li Teng-hui Decorates Outgoing Judicial Yuan President

OW [illegible] Taipei CNA in English [illegible] GMT [illegible] 94

By [illegible]

[Text] Taipei, Aug. 30 (CNA)—President Li Teng-hui decorated outgoing Judicial Yuan President Lin Yang-kang with the Order of Progress (Grade Two) on Tuesday (30 August) in recognition of his contribution to the country's judicial reforms.

Lin said the decoration is not only an honor for him but also a recognition to more than 100 judicial workers here. "I appreciate all the support my Judicial Yuan colleagues have given me during my tenure," he said.

Lin also thanked President Li and other government departments for their assistance in streamlining Taiwan's judicial system.

Lin is considered his resignation to take effect upon swearing in his successor, Shih Ming-teh, who will take his office on Shih's swearing, current National Security Council secretary-general Chiang Pei-chun confirmed on Thursday.

Lin will become a senior adviser to President Lee after stepping down from office.

[illegible] Lin said he [illegible] the 1994 presidential election. He said earlier this month that he plans to start a campaign against [illegible].

Prosecutor Minister, New NSC Judicial Yuan Heads Sworn In

[illegible]

[illegible]

[illegible] Hung Shou-chih, another prosecutor investigating the [illegible] scandal, was sworn in Thursday as secretary-general of the National Security Council (NSC).

Hung succeeds Shih Ming-teh, who has appointed president of the Judicial Yuan.

Officiating at the change-over ceremony, secretary-general to the President Chiang Pei-chun joined with Chang Hsi-ch'un, also a prosecutor.

Hung pledged that he would do his utmost to calculate his new responsibilities, saying the NSC will continue to facilitate [illegible] under the constitutional system.

Shih said that the NSC has adopted a new cooperation role in bridging mainland relations, which [illegible] recognition [illegible].

[illegible] Shih [illegible] the post of [illegible] the NSC on Friday, completing a self-imposed mission of Pledge [illegible] Shih [illegible] office in the United States. He had been [illegible] Taiwan affairs minister as well as representative [illegible] Japan and Australia.

Later in the day, Shih replaced Lin Yang-kang as new Judicial Yuan president in another change-over ceremony. Lin was reassigned as senior adviser to President Li Teng-hui after rendering his resignation in June.

Shih praised Lin's efforts and achievements in promoting judicial reforms, and noted that he will follow in Lin's footsteps and work to usher in a new era for the modernization of Taiwan's judicial system.

Shih, 58, is a law-professor-turned administrator. Holder of a doctorate from Heidelberg University, he taught law at the alma mater, National Taiwan University, before he entered public service. He has served as justice minister (1984-85) and vice premier (1985-1987).

Meanwhile, legislator John Kuan resumed his post as secretary-minister under the Communications Yuan.

Kuan, 54, succeeds Chen Kuo-hua, who retired. Kuan served as deputy secretary-general of the ruling Kuomintang before becoming a lawmaker.

Government Raids Two Illegal Radio Stations

[illegible]

[illegible]

[Text] Taipei, Aug. 30 (CNA)—In separate actions early Wednesday (31 August) morning, around 100 policemen sealed and shut down at least temporarily two illegal radio stations in Taipei County.

The Pingtung Prosecutor's Office, which oversees the prosecution, raids used the two underground radio stations, the Voice of Taiwan and the Voice of the People, and arrested seven to eleven owners.

The charges were based on broadcast recordings of the two radio stations monitored by the Government Information Office from late July through early August.

The prosecutor's office used the two stations instigated veterans to take part in an Aug. [illegible] in Taipei. During which dozens of policemen, demonstrators and reporters were injured, and a demonstration in early August outside the Broadcasting Station of the KMT [illegible] Broadcasting Corp. of China. The Aug. [illegible] was investigated when police seized 4 illegal radio stations on July 31.

In the raid on the Voice of Taiwan, nine policemen were injured in a clash with a group of gay fishers who had rushed to the station to give their support.

Although transmitters at the two stations were seized during the raids, the Voice of Taiwan resumed broadcasting at noon. Hsu Jung-chi, owner of the radio station, announced he had a crowd to Premier Lien Chan's home to voice their anger.

Court Upholds Mainland Hijacker's 10-Year Sentence

[illegible]

[illegible]

[text] Taipei, Aug. 31 (CNA)— The Supreme Court on Wednesday (31 August) upheld the 10-year sentence meted out to Wang Zhi (word redacted), who hijacked a passenger airline from Mainland China to Taiwan on Nov. 5.

Wang, using a fake bomb, forced a China-A passenger airliner en route from Hangzhou to Fuzhou, a city on the southeastern China Province of Fujian, to Taiwan. He immediately surrendered to the police upon the aircraft's landing at Chiang Kai-Shek International Airport.

The hijacking was one of 10 similar hijackings that occurred last year.

Wang, a chemical-plant worker, originally was given a 10-year jail term by the Taipei District Court, which was later upheld by the Taiwan high court.

Hong Kong

Reportage on Effect of NPC Decision Viewed

'No-Holds-Barred' for Preparatory Body

[illegible] Hong Kong [illegible]

[illegible]

[illegible] recently amended the draft law for Hong Kong [illegible] stipulate that the [illegible] organization should be dismantled the day of the [illegible] The move was approved by the Standing [illegible] the National People's Congress. [illegible] given a [illegible] of questions about how Hong Kong will be governed after the transfer of sovereignty.

[illegible] legal regulations which should Hong Kong [illegible] structure [illegible] government [illegible] package and established [illegible] Hong Kong [illegible] Lianhe Zaobao [illegible] regulations [illegible] government and district board will be [illegible] Lianhe reported it said the three [illegible] government [illegible] up by the [illegible] Preparatory [illegible] established by Sino-British [illegible] the Basic Law and [illegible] government [illegible] Kongan and [illegible]

[illegible] happen after [illegible] Preparatory Working Committee [illegible] handle all matters relating [illegible] Special Administrative Region. The Preparatory Working Committee will be the successor to the [illegible] Working Committee. He said that all [illegible] Joint Liaison Group [illegible] consultative bodies, not organs of power.

[illegible] NPC Standing Committee [illegible] the Preparatory Working Committee. There [illegible] he said. There will have to be [illegible] the setting up of the future government [illegible]

[illegible] people will [illegible] Hong Kong NPC delegate [illegible] said the resolution passed by the Revised and Hong Kong governments that Beijing [illegible]

[illegible] Working Committee [illegible] handle all matters relating [illegible] said. Without [illegible] Revised [illegible] and [illegible]

[illegible] the Hong Kong delegate [illegible] would be enough time for the committee to handle [illegible] said there would now be [illegible] to make proper arrangements for the future government. He said [illegible] addition to setting up the future SAR government and appointing the [illegible] and senior officials, the committee will face the added burden of working on the formulation of the Hong Kong SAR legislation. This [illegible] and Hong Kong will be made [illegible]

Hong Kong [illegible] said. As the provisions [illegible] set up there to run after those arrangements should be dismantled. [illegible] arrangements are dismantled those who have [illegible] Hong Kong, he said.

[illegible] said [illegible] the right [illegible] information gathered under [illegible]

Means Future Headache for SAR

[illegible]

[illegible] NPC [illegible]

[illegible] Standing Committee [illegible] that [illegible] Hong Kong [illegible] Preparatory Working Committee [illegible] handle all matters relating [illegible] Special Administrative Region [illegible]

[illegible] Hong Kong [illegible] Preparatory Working Committee [illegible] the Preparatory Working Committee [illegible]

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the role of the elected bodies. Were this move to be made China would have to back-track on solemn promises that these committees are not designed as organs of power but consultative bodies.

There has been no more than a token attempt to make the PRC a truly representative body. Most members have been selected in the vain knowledge that they will not rock the boat, although a couple have been inserted to make small waves. This body therefore has a credibility problem. There is an inherent measure of mutual power difficult to reconcile. Neither these bodies have consulta[illegible] to become working station. China may argue that [illegible] and because they are of their location [illegible] from not under standings [illegible] would be a very strange way of navigating [illegible] and capitals were the VAP [illegible] to be in the direction of something what [illegible] Hong Kong has.

[illegible] would be [illegible] to all elections [illegible] that date. It would [illegible] brought to bear the [illegible] that elected bodies [illegible] the admin[illegible] achieved [illegible] the records of the VAP [illegible].

May [illegible] with this solution. What [illegible] the [illegible] of people like Martin [illegible] who would allow [illegible] would have [illegible] that was not [illegible] would prove to be [illegible] and right [illegible] measures. The [illegible] the Workers Party [illegible] other hands.

[illegible] the mobilisation of people [illegible] of [illegible] with problems must [illegible] would [illegible] the [illegible] of an [illegible] many [illegible] to [illegible].

[illegible] and packed VAP government [illegible] The leadership of [illegible] getting the [illegible] of human rights [illegible] the Democratic Party [illegible] with big results [illegible] the [illegible] right.

[illegible] the people of Hong Kong on [illegible] the government of the Grand Mission of [illegible] rights [illegible] the [illegible] government [illegible] Hong Kong [illegible] the [illegible] VAP [illegible].

[illegible] including them [illegible] from the system will be met with [illegible] uniform requirement by other [illegible] do so and maybe so more than simply [illegible] that part of the population.

Any member of the VAP [illegible] letting under the delusion that the [illegible] rewards had better wake up. At the [illegible] create a big, big headache for the new Special Administrative Region government.

PRC Called on To Smooth Decrease

[illegible]

Editorial Tone of Uncertainty

Text] If any doubt remained about Beijing's intransigence towards Hong Kong's elected political structure, recent days's decision by the National People's Congress (NPC) should have laid it to rest. It showed the [illegible] to arrogantly argument about whether the [illegible] rewards will be transmitted [illegible] solution with the change of an [illegible] the members through [illegible] will come [illegible] against the [illegible] elected organisations [illegible] the Western vale will be on the wards of Xinhua, the state [illegible] News Agency [illegible] communicated [illegible] directions.

If Beijing wishes to take [illegible] demonstration of [illegible] the confusion of Beijing's [illegible] street [illegible] to be [illegible] doubts the VAP [illegible] transmitted [illegible] the people of Hong Kong [illegible] precisely what is wrong with broadening the [illegible] give the people a greater [illegible] allows the [illegible] detailed [illegible] not in place of the elected [illegible].

Moreover, stating that the [illegible] with the VAP [illegible] proposals which brought [illegible] Patten almost [illegible] that an attempt [illegible] interpretation [illegible].

The Basic Law [illegible] though [illegible] allows [illegible] the [illegible] with [illegible] the [illegible] or [illegible] whether [illegible] taken the [illegible] Hong Kong [illegible] Hong Kong [illegible] to make the [illegible] Beijing [illegible] interest [illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Police Force Preparing for Future Mass Exodus

[illegible]

[illegible]

planning. We are trying to assess how many people we are going to lose and, in a parallel assessment, we are identifying people who can step into people who have a more flexible [illegible] he said.

Chief Supt Lockwood added that there had not been a significant increase of officers leaving the force and he felt there would be no problems with such three years of until the handover.

There is quite a lot of depth of talent and that is [illegible] we could see before we had a problem. [illegible] he added the number of people [illegible] would be a problem [illegible] passage [illegible]

PRC Names CBH Local Agent for Foreign Investment

[illegible]

By William Kong

[illegible] Hong Kong has allowed a Hong Kong company [illegible] foreign investors commercial registration applications for Sino-Industrial and Commercial Enterprise [illegible] a branch of the State Administration for Industry and Commerce has introduced under New Holdings (CBH) with processing registration applications and business licences for foreign companies.

As a permanent office of Beijing and Shanghai [illegible] United States agent and Singapore CBH [illegible] foreign companies through the [illegible] seeking suitable investment partners and preparing to increase [illegible] foreign companies [illegible] approval from the Chinese government [illegible] next January. CBH will deliver the [illegible] form according to company [illegible] Leagan [illegible]

When a company wants to enter the China market [illegible] board have either to accept the [illegible] opportunities [illegible] [illegible] Mr [illegible] said the need for Chinese [illegible] CBH [illegible] wide [illegible] agent for Hong Kong [illegible] wanted to streamline registration procedures [illegible] negotiations [illegible] of the screening process.

In addition CBH [illegible] company [illegible] and trade [illegible] [illegible] company [illegible] the name [illegible] company [illegible] registration [illegible] the [illegible] government [illegible] [illegible] of companies [illegible] Hong Kong [illegible] Southeast Asia Singapore and Malaysia [illegible] agents [illegible] [illegible] Hong Kong [illegible] [illegible]

CBM said these funds were involved in high-technology projects or sourcing of raw materials. CBM plans to soon update Hong Kong and American banks to assure funds in exporting foreign capital into their investments in mainland and would announce the names of its banking partners within the next two weeks.

Hong Kong Media Urged To Support Basic Law

HK [illegible] Hong Kong WEN WEI PO in Chinese 5 Sep 94 p 1

Report: Tang Guangzeng Meets With Hong Kong Journalists, Calls For Making Contributions To Safeguarding the Basic Law

[text] Beijing [illegible] WEN WEI PO—Tang Guangzeng, member of the PC central committee's Political Bureau and secretary of the Secretariat, met with a delegation of Hong Kong journalists led by Tang Tong, an honorary editor-in-chief of WEN WEI PO, who is the head of the delegation, and Huang [illegible] adviser to the delegation, at the Diaoyutai State House this afternoon. Members of the delegation included the officials responsible for WEN WEI PO, TA [illegible] and [illegible] [illegible] and [illegible] [illegible] and [illegible].

Regarding Hong Kong affairs during the transitional period, Tang Guangzeng said: "We know very well the [illegible] obligations. However, [illegible] of the work of the [illegible] Hong Kong's better work in implementing the Sino-British Joint Declaration, the Basic Law, promoting Hong Kong's prosperity and safeguarding the interests of Hong Kong [illegible] will remain unchanged. [illegible] make trouble with active [illegible] the Joint Declaration and Basic Law and harm Hong Kong's prosperity and stability, Hong Kong compatriots will suffer. Facts over the past years showed that China's political stability and [illegible] bring great benefit to Hong Kong.

[illegible] the most we [illegible] Hong Kong's economy grew over percent [illegible] and averaged five percent. This is an amazing [illegible] that the activities of the media will [illegible] the Joint Declaration, the Basic Law, the [illegible] Hong Kong's stability and Hong Kong's [illegible] the central [illegible] Hong Kong media [illegible] the open-door administration [illegible] and the [illegible] positive role.

During the meeting, Tang Guangzeng gave the delegation [illegible] China's economic situation. He said that [illegible] comments on a breakthrough in Deng's comments from [illegible] regarding China's economic growth, may exaggerate China's economic growth to an impractical extent, describing China's economic strength in four ways. The other two describes China's economic situation as utterly hopeless, saying that China cannot continue its reforms its economy is collapsing, the relationship between the center and the localities is unstable, the macroeconomic regulation and control is devoid of any means, and there is no solution to inflation. Those who make such comments do not understand China's practical situation. The first school has not realized that China is still a developing Third World nation where 60 million people have not yet extricated themselves from poverty. Even in affluent Guangdong, the northern parts of the province are still very poor. China is a large country in which the situation differs in thousands of ways. The second school has not come to a realization of the achievements that have been made in China's reform and opening up. By the turn of the century, there is no doubt that China can attain its target of quadrupling its growth.

Because China is a large country, problems are inevitable. Where a problem crops up, we take action. [illegible] China's rapid economic growth, referring Deng Xiaoping's talks during his southern trip, was obvious to all, remarks Xiaoping also said. "We should undergo readjustment after every step we have made in order to consolidate the foundation and advance step by step. The purpose of readjustment is to ensure relatively rapid growth and avoid fluctuations. Like playing chess, all the more determines the strategy and tactics. But when the game starts, the actual situation changes a thousand or ten ways, so the players must realize how [illegible] opponent."

Deng said that China's work in the after half of the year will focus on four: implementing the guideline of rectification, second, paying attention to agriculture and ensuring the steady growth of the national economy, third, deepening reform of state enterprises, and fourth, consolidating and building material and spiritual civilization.

Deng mentioned a number of problems that have cropped up during and before, and the year, which some others have been affected by drought. For example, grain harvest is neglected and the production [illegible] is a large country where [illegible] not be forgotten. The other hand, [illegible] when the light [illegible] the other hand, the [illegible] harvest. Facts have shown that China has the [illegible] of grain [illegible] an important [illegible] maintaining stability. When [illegible] China's growth, the benefit to the [illegible] people [illegible] the Lunar Year for [illegible] and [illegible] the [illegible] and keep the [illegible] the [illegible] important [illegible] which is related to the stability of the situation throughout the nation. China has 800 million peasants and only where the peasants [illegible] the country's economic growth have a firm foundation.

[illegible]

Macao

[illegible]

[illegible]

[illegible]

Meeting here this afternoon with General Vasco Rocha Vieira, governor of Macao, has pointed out that the new cooperative network Hong Kong and Portugal in the wake of the Sino-Portuguese joint declaration on Macao would help to realize the smooth transition and the transfer of power in Macao in 1999.

The Chinese side is satisfied with the progress made in the two sides in solving the problems during Macao's transitional period, said Jiang adding that the exchanges of visits by the leaders of the two countries had been of major significance in pushing forward Sino-Portuguese cooperation in issues concerning Macao.

We appreciate the efforts made by the Portuguese in implementing the joint declaration, maintaining the vitality and development in Macao and cooperating positively with the Chinese side, Jiang told the governor.

The Chinese vice premier went on to say that it is practical and beneficial for the Chinese government to settle the issues of Macao according to the policy of one country, two systems.

The Chinese and Portuguese sides have conducted joint patrol cooperation in the waters of the Lower Zhujiang and the regulation of the smooth transition and transfer of power in Macao which are in the interests of the two sides. This has been supported by the Chinese government, Jiang said.

However, some people have tried to undermine the Sino-Portuguese cooperation over Macao. We should continue to be vigilant about this, Jiang said.

Jiang said that the Portuguese side is committed to strict abide by the joint declaration and will further strengthen its cooperation with the Chinese side in the affairs of Macao. The some people who do not hope to see smooth transition in Sino-Portuguese ties and the smooth transition of Macao have tried to undermine the relations between the two countries, Jiang said.

The Portuguese side will strengthen exchanges with Beijing to promote mutual trust and close cooperation in order to realize the smooth transition and the transfer of power in Macao and maintain the stability and development in the region, the governor stressed.

[illegible]

Have no Meeting

[illegible]

under a peaceful and steady transition. Vice-Premier and Foreign Minister Mr Qian Qichen said this afternoon while meeting the visiting Macao governor General Rocha Vieira. Mr Qian said that the declaration helped maintain steady development of Macao which was in the interests of China and Portugal. The Chinese senior official, however, added that somebody attempted to disrupt sound cooperation between the two countries on the Macao matter and asked for high alert.

Mr Qian said that exchange visits between leaders of the two countries were of great significance to pushing forward cooperation between them on the Macao issue. He pointed out that sino cooperation in accordance with the Sino-Portuguese Joint Declaration was beneficial to a peaceful transition and a smooth handover of Macao to China on 1999 which would maintain stability and development in Macao.

The Chinese senior official said that the Chinese side was satisfied with the settling of problems very during the transition period. He also praised General Rocha Vieira for his efforts in striking cooperation with China in the implementation of the joint declaration for steady development in Macao. Mr Qian stressed that the "one country, two systems" policy employed by the Chinese government in settling the Macao issue was in line with the actual situation and was a far-sighted practice.

The visiting Macao governor said that the Portuguese side strictly observed the joint declaration and strengthened cooperation with China regarding the Macao matter. He added that somebody however wanted to damage friendly relationship between Portugal and China and peaceful transition in Macao. He noted that the Portuguese side is determined to continue cooperation with the Chinese side in order to realize the peaceful transition and a smooth handover of sovereignty of Macao in an eventual aim of maintaining stability and development.

The meeting was held at the Diaoyutai State Guesthouse and was also attended by China's Vice Foreign Minister Mr Liang Errchu, the Deputy Director of the Hong Kong and Macao Affairs Office under the State Council, Mr Sun Zhong, and the Director of the Macao branch of Xinhua News Agency, Mr Cao Zhongqi.

Reportage on Critical Li Peng Bio in Macao Report

PRC Portugal Blame Sabotage

[illegible]

Text: Beijing, Sept 1 (UPI) - Macao's senior visiting leader Rocha Vieira met China's top official in the region Thursday, September 1, in Beijing after an agreement between officials to sabotage its cooperation with Lisbon. Rocha Vieira told journalists after meeting with Hong Kong and Macao Affairs Office Director Peng that the two sides had agreed to "reach higher levels of cooperation" over the Portuguese enclave's return to Chinese rule in 1999.

The agreement followed an embarrassing blunder by the Portuguese official's entourage, in which a highly critical biographical sketch of Premier Li Peng—describing him as arrogant and incompetent—was included in press kits for his eight-day visit to China.

A spokesman for the Chinese foreign ministry—which had previously said China was "astonished and offended" over the reports of the inclusion of the sketch—stated Thursday that the governor of Macao has already made a clarification to the Chinese side. Rocha Vieira explained that the English-language sketch had not been written by the Macao government—which uses only Portuguese or Chinese—and must have been slipped into the press kits by "somebody," the spokesman said.

"The governor has already made an apology to the Chinese side for neglecting to do a check up in advance," he said. "We have been maintaining sound cooperation with the Portuguese government on the issue of Macao. Somebody wants to sabotage such cooperation and we should be alert towards this," the foreign ministry spokesman said. Rocha Vieira was set to meet Thursday with Premier Li.

The Portuguese embassy here said Wednesday it was investigating how the sketch had found its way into the press kits. Li Peng was known for his arrogance and authoritarian ruling before the offending sketch, and adding that the premier was "widely criticized" in the Chinese people and Chinese communities abroad for his role in the June 4, 1989 massacre of pro-democracy demonstrators in Beijing.

The sketch added that mainlanders "have never trusted Li Peng," "Peking" "taking into account Li's incompetence and bad reputation," had planned to replace the premier in 1991, but "changed his mind after the collapse of the Soviet" and took with Chinese leaders view of his major alliance with Gorbachev.

Spokesman Expresses Strong Discontent

[illegible]

Text: Beijing, Aug 31 (UPI) - The spokesman for the Chinese Ministry of Foreign Affairs today answered a question posed by reporters. A reporter asked: What comments would you like to make on the reports carried by Hong Kong and Macao newspapers about materials leaked by the Macao government information department which were unfavorable to Chinese leaders?

The spokesman replied: Regarding the information department of the Macao government, elements reported some materials which slandered the new China.

[illegible] and attacked going [illegible] Chinese leaders. We are surprised by the incident and are expressing our strong discontent.

As the Macao government has explained to us, the materials had not originate in any of the Macao government departments. Documents from the Macao government departments are written in Portuguese or Chinese but this material was written in English. Somebody must have taken advantage of some loophole to put the papers with the documents to be released by the Macao government information department. The government of Macao has apologized to the Chinese side. As for single person, as the materials were not authentic when they were released.

More From Spokesman

HK [illegible] Beijing [illegible] 1 Sep 94

[text] Beijing, August [illegible] XINHUA — [illegible] spokesman for the Chinese Foreign Ministry, in the regular [illegible] question here today, commented on the reported Macao government information department review of anti-propaganda materials with security officials in Chinese mainland.

He said that the Chinese side was informed and offended when it learned of the reports from Hong Kong and Macao newspapers.

According to the government of Macao, the spokesman said, the materials had not originated from Macao government's information department.

Official documents from the Macao government are written in either Portuguese or Chinese. The spokesman pointed out the government is saying that the materials in question were written in English.

He wondered how it happened that materials and documents which were supposed to the Macao government information department and the documents were not released yet. The spokesman pointed to government's explaining.

The government has [illegible] the results of the spokesman said.

More on Document Release

HK [illegible] Hong Kong [illegible] 1 Sep 94

[illegible] Beijing's government has [illegible] Portugal and China have [illegible] Macao government Rocha Vieira [illegible] Beijing from Hongkongers [illegible] Premier Peng which was [illegible] attacking the leadership of the organization [illegible] the government of Macao described Peng as a smuggler and an authoritarian. The Hongkongers was [illegible] official documents which were [illegible] Chinese [illegible] Chinese [illegible] the PRC Macao governor Rocha Vieira has been playing down the incident. Several Portuguese journalists with the [illegible] MACAU newspaper reports.

Begin recording: [Portuguese] It was in fact nothing more than a minor gaffe. The journalists accompanying Macao Governor Rocha Vieira on his second visit to the PRC were given a support kit preceding word in English which included official statements containing the schedule, team lists, delegation members and journalists as well as unofficial statements carrying biographies of senior PRC officials with whom Rocha Vieira was scheduled to meet during his visit. The biographies of PRC Prime Minister Peng was written along the lines of an internal memorandum. It was perhaps the result of data gathered from various sources and not related to a journalists. It describes Li Peng as an authoritarian and an arrogant person with a bad reputation. Nothing officially new.

Both the government's office and the media office are supposed to be responsible for such mechanisms. But no one can explain how these biographies got there. Sources say the official responsible for the media office, and with as he was about to leave for Shanghai, said the reasons had not been learned yet. But would explain the circumstances which led to the distribution of these biographies. Both Sources to Hong and Macao Governor Rocha Vieira have played down the incident, adding that the Macao government has never backed such views of Li Peng. The government office also refused to speculate on the fact that these biographies were written in English, whereas material in the official documents was in Portuguese and Chinese.

Although the Chinese terms Macao has not made an expression of the gaffe, the terms of neighboring Hong Kong has adopted an more aggressive [illegible] the incident, describing it as unexpected. [illegible] the suggestion brightened by Rocha Vieira's government [illegible].

Governor Apologizes

HK [illegible] Hong Kong [illegible] 1 Sep 94

[text] Beijing, Aug [illegible] XINHUA — Macao government's governor Rocha Vieira expressed his profound regret to Hong Kongers [illegible] August over a slight critical biographical sketch of Premier Li Peng included in press kits he had been given. He is now again with what a mistake and an impression what has happened. It was just a mistake on his side and on the page. Rocha Vieira [illegible] after meeting with Chinese Foreign Minister [illegible].

He said he had explained the incident to Foreign Minister Qian Qichen. Rocha Vieira said he hope people understand what has happened and not misunderstand his explanation. Qian responded that he understand the explanation about the incident of the English language biographies in the newspaper. Qian [illegible] on [illegible]

arrogant and incompetent—said Rocha Vieira, who arrived in Beijing late Tuesday for an eight-day visit. The sketch was widely distributed. No one read it before distribution; but someone should have read it and the governor.

The Portuguese embassy here said Wednesday it was investigating how the sketch found its way into the press. "We do not know who wrote it," said Rocha Vieira. "Nothing than it had been written on paper that did not bear an official stamp."

Ding was known for his arrogance and arbitrariness long before he and the sketch, adding that the premier was "bitterly criticized" by the Chinese people and Chinese communists abroad for his role in the June 4 massacre of pro-democracy demonstrators in Beijing.

The sketch alleged that parachuted Chinese leader Deng Xiaoping, "taking into account [illegible] incompetence and bad reputation," had planned to replace the premier in 1989 but changed his mind after the resignation of the [illegible] Chinese leaders visit [illegible] major advisor, Hu Qiaomu. The official postings [illegible] power struggle between Deng and Li Peng, who is due to hold talks with [illegible] Thursday.

Before leaving the Portuguese colony for Beijing, Vieira had said he did not would have to be allowed to [illegible] Macao, which reverts to Chinese sovereignty in 1999.

PRC Study: Bio-Technology To Become Prime Industry

[illegible] Hong Kong [illegible] EASTERN EXPRESS in English [illegible]

By Harald Bruning in Macao

Tired Fingers casinos and dancing girls—bio-technology will have become Macao's number-one industry by the year 2010, according to a study by the Chinese State Commission for Science and Technology.

The study, commissioned by the Beijing-controlled Macao Foundation and prepared by a five-member team of Chinese scientists, says that next century Macao's economy would be based on six mainstays: bio-technology, information science, gambling-cum-tourism, export-oriented manufacturing, and property and financial businesses. Macao's main economic sectors now are casino gambling, non-gambling related tourism and textile and garment manufacturing.

According to the study, which the Portuguese language daily LEAITE MAC UNENG has identified as "Italian," the bio-technology sector would become Macao's number three income spinner by the turn of the century, gradually [illegible] into the territory's main industry by 2010.

The study maintains that by that year gambling and tourism would be Macao's number two industry, with [illegible] sinking third. The study forecasts that Macao in the next century would be a gamble [illegible] manufacturing, [illegible] cosmetics, [illegible] gamble, [illegible] and [illegible] green [illegible]

[illegible]

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